

November *NATION'S* 1948

# *BUSINESS*

KEY  
FILE



FIT

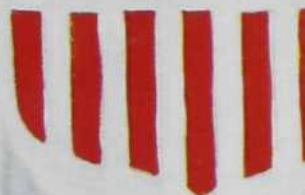
V. 24



FOR EUROPE  
UNITED STATES



FOR EUROPEAN RECOVERY  
SUPPLIED BY THE  
UNITED STATES OF AMERICA



TRACTOR

SERIAL  
NO. 4001

THE TRACTOR CO.  
WESTERN - ALB.  
MADE IN U.S.A.



FOR EUROPE  
UNITED STATES





# problem...



# solution result...

Every year grasshoppers cost farmers millions of dollars in lost and damaged crops. To check the ravages of this insect enemy, Hercules has developed Toxaphene—a highly potent chlorinated camphene base for agricultural sprays and dusts. In wide use this year to control cotton insects, Toxaphene also is taking a heavy toll of grasshoppers and other harmful farm insects.

\* **TO KILL GRASSHOPPERS AND OTHER HARMFUL INSECTS...** another development utilizing Hercules chemical materials. The free book, "A Trip Through Hercules Land," describes other uses of Hercules chemicals.



## HERCULES

HERCULES POWDER COMPANY

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CHEMICAL MATERIALS FOR INDUSTRY



*Research keeps*  
**B.F. Goodrich**  
**FIRST IN RUBBER**



## Where 50 tons is a light load

### *A typical example of B. F. Goodrich development in tires*

WHEN a large oil company in Texas wanted to move a 50-ton concrete block on which a petroleum tower tank is set, the truck shown in the picture was put to work. Even though the truck was up in the air, the crew wasn't. It was just another job for crew, truck and tires. Recently, on a similar truck and trailer they hauled a refinery bubble tower weighing 180,000 pounds.

On jobs such as this where extreme loads are carried and trucks travel both on and off the highway, tires are frequently bruised. Ply failures and blow-outs are common.

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off-road traction and long mileage, too, the truck shown was equipped with B. F. Goodrich All-Purpose tires. These tires, like all BFG truck tires in large sizes (8.25 and larger), have a built-in nylon shock shield to absorb impacts, protect the rayon cord body. Only B. F. Goodrich tires have this modern improvement.

Truck owners get a four-way saving: (1) Average tire mileage is increased. (2) Tires have greater resistance to bruising. (3) There's less danger of tread separation. (4) A greater number of tires can be recapped.

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traction in mud or loose soil. When used on pavements, the broad, zig-zag ribs and large contact area provide long, even wear and smooth, quiet operation.

This unusual tire is typical of the continuing developmental work in truck tires being done by B. F. Goodrich. Find out about the latest B. F. Goodrich improvements before you buy truck tires. The B. F. Goodrich Company, Akron, Ohio.

*Truck Tires* BY  
**B. F. Goodrich**

## Another injun bites the dust



A quick count of the notches on that trusty six-shooter and our ferocious little paleface has the figures for his day's work.

Getting figures, in business, is more involved. There's endless posting and filing, elaborate bookkeeping, error-productive copying. But our Comptometer Peg-Board Plan has changed all that. For this simple and

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no elaborate equipment is necessary.

Send for our folder—"Peg-Board Accounting"—learn the advantages of this method. Or call your nearest Comptometer representative.

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REG. U. S. PAT. OFF.

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MR. VICE-PRESIDENT



MR. SALES MANAGER



MR. COST ACCOUNTANT



MR. TRAFFIC MGR.



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You can meet the challenge of a "Buyers' Market" with

## AMERICAN AIRLINES AIRCONOMY PLAN



### Ship by air



From the *speed and dependability* of American's Airfreight stem specific advantages: faster turnover and increased volume... wider distribution with lower distribution costs... smaller inventories—with less loss through spoilage and with a minimum of warehousing requirements. Get merchandise to market *when it's wanted—with Airfreight.*

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The *speed* of air travel permits your salesmen and other traveling personnel to go more places more often—cover more ground in less time—make more calls, more sales—with *tremendous savings in man hours.* American's lowest-fare policy makes air travel costs remarkably low. Time saved in travel means money savings, too.

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|--|--|
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| <input type="checkbox"/> Makes re-orders easy—keeps field stocks fresh       | <input type="checkbox"/> Saves precious man-hours                          |
| <input type="checkbox"/> Helps open new markets, expand old ones             | <input type="checkbox"/> Shortens order-to-delivery-to-payment period      |
| <input type="checkbox"/> Cuts warehouse costs—reduces losses in transit      | <input type="checkbox"/> Gets field instructions out faster                |
| <input type="checkbox"/> Speeds up distribution, frees more capital          | <input type="checkbox"/> Streamlines end-of-month bookkeeping              |

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IN UNNECESSARY  
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# Nation's Business

PUBLISHED BY

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NO. 11

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## STROMBERG-CARLSON

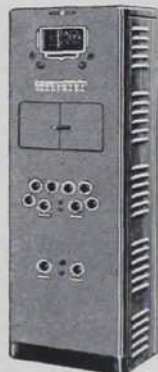
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SS-751 Control Cabinet



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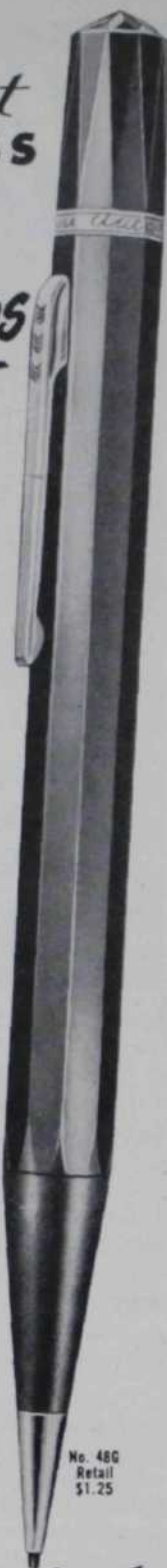
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# About Our AUTHORS

WHAT business will be like in the 1960's is, of course, anybody's guess. But when **VERGIL D. REED**, associate director of research for J. Walter Thompson Company, makes a prediction as to conditions in that distant decade, you can bet it will come close to the mark. For Reed has been doing commercial research ever since a New York exporter and importer gave him the job of figuring out the potential sardine market in Bolivia back in 1922. Since then he has climbed to the top in his field.

In 1936 he was appointed assistant director of the Bureau of Census. Later he was with the War Production Board.

BY SPECIFICATION, **HORACE SUTTON** is a travel writer. To his friends, he confides, this means that he's on a perpetual vacation. Actually, it means that he's on the road or the high seas about half



RAY O'NEILL

the year, visiting new resorts and foreign countries. The results of these safaris appear in several places—the magazine of which he is travel editor, the one of which he is a contributing editor and a newspaper to which he is a subscriber. Nevertheless, he was able to stay put long enough to do a piece about ex-Presidents for **NATION'S BUSINESS**.

FOR eight years **STANLEY FRANK**, who is one of the country's best-known sports writers, toyed with the idea of doing a piece about the fascinating but unpredictable business of owning a professional team—baseball, football or what have you. However, he never found anyone who would give him a breakdown of the costs until Alex Thompson, owner of the Philadelphia Eagles of the National Football League, started to grouse to him not so long ago about what an unprofitable proposition it was. Like most fans, Frank thought he was merely talking to hear the sound of his voice. But when he challenged the Eagles' owner to produce the audited figures, Thompson did and showed that he was right—and Frank got his story.

THOUGH **WILLIAM BRADFORD HUIE** describes himself as "essentially an Alabama farmer," he is a successful free-lance writer and lecturer who divides his time between Washington, New York and the road. He does assignments for several magazines and tries to average a book a year. Two of his volumes and a number of his articles have



WILLIAM BRADFORD HUIE

been critical of the Navy command, yet he did his own war chores in the Navy and wrote two best-selling books about the Seabees. "There's nothing personal about my criticism of the Navy," Bill points out. "My own service was pleasant and all the admirals I know are my friends. It's just that on politics and air power I've always been on the other side."

EARLIER this year the U.S. Chamber of Commerce played host to a distinguished visitor from Switzerland, **PER JACOBSSON** of the Bank for International Settlements at Basle. In the course of his visit, Dr. Jacobsson met with several members of the Chamber's staff and gave them a broad picture of the current European and world situations. Knowing that our readers would be interested in his views on world affairs, we asked Dr. Jacobsson to set down what he had told us so convincingly.

FOR THE past 40 years—plus a few—**RICHARD SEELYE JONES** has been engaged in newspaper and magazine work, including a stint in Paris during the first world war on the staff of the A. E. F. newspaper, *Stars and Stripes*. Of course, there was the time that he attended the Democratic national convention in Madison Square Garden as a delegate from Washington State. When the party's publicity director was taken ill suddenly, Jones was hauled in to substitute for him. As luck would have it, 1924 was the first year such a convention was ever broadcast and he was swamped with calls from listeners who wanted to know why Alabama kept casting her 24 votes for favorite-son Oscar W. Underwood. Since then Jones has stuck to writing.



# "Job-Rated" TO FIT THE JOB

Trucks that *fit your job* . . . save you money. They save in many ways.

They save on gas, oil, and tires. They save on upkeep and repairs. They stay on the job. They last longer.

For such a truck, see your Dodge dealer. Tell him what you haul . . . the weight of your load . . . and your operating conditions.

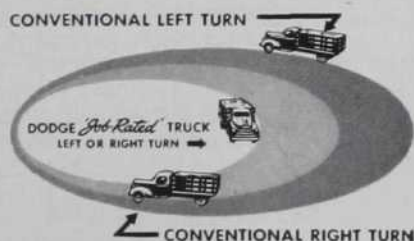
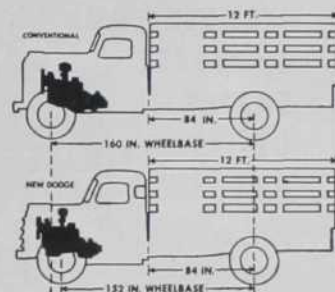
He will then recommend a Dodge "Job-Rated" truck that has been engineered and built to fit *your job*.

Your new truck will have "Job-Rated" power, for performance with economy.

Every other unit . . . clutch, transmission, brakes, rear axle, springs and tires will be "Job-Rated" for long life and dependable operation.



## PLUS... these important NEW features



### SHORTER TURNING DIAMETERS

New Dodge "Job-Rated" trucks provide an entirely new ease of steering and handling. You can turn in much smaller circles, right and left, because of a new type of "cross-steering," plus shorter wheelbases and wider tread front axles.

### MORE COMFORT AND SAFETY

1. Plenty of headroom. 2. Steering wheel, right where you want it! 3. Natural back support, adjustable for maximum comfort. 4. Proper leg support. 5. Chair-height seats. 6. 7-inch seat adjustment, with convenient hand control. 7. "Air-O-Ride" cushions, adjustable to weight of driver and road conditions.

### BETTER WEIGHT DISTRIBUTION

New Dodge "Job-Rated" trucks have much better weight distribution. You can haul *more payload*. This has been achieved by moving the front axle back, under the frame, and moving the engine forward. More of the load is carried on the front axle. Wheelbases are shorter . . . but cab-to-rear-axle dimensions are unchanged.

For the location of the Dodge dealer in your community, consult the yellow pages of your telephone book.

## DODGE "Job-Rated" TRUCKS

FIT THE JOB . . . LAST LONGER !



... all that the name  
implies



### Correspondence Elegancies . . .

made by Kellogg  
Fine Writing Papers—  
a division of U. S. E.

**UNITED STATES ENVELOPE CO.**



**Springfield 2, Mass.**

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LOCATED FROM COAST TO COAST

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### MEMO TO INDUSTRY from POWEL CROSLY, Jr.

**"THE FINEST,  
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SMALLEST  
ENGINE  
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POWER"**

*Powel Crosby, Jr.*

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Completely revolutionary with an undreamed of weight to power ratio, the Crosley COBRA engine WEIGHS ONLY 59 POUNDS yet delivers up to 26.5 horsepower. Thousands on the road, powering Crosley Cars. Thousands more in industry setting new performance records.

In commercial refrigeration, farm equipment, materials handling, marine power, aviation and countless other industries, the Crosley COBRA engine is opening up whole new fields for product improvement. With a Crosley COBRA, service is dependable. Operating, maintenance and fuel costs are amazingly low.

The 59 POUND Crosley COBRA (Copper BRAZED) engine is entirely different, all steel, copper brazed. Four cylinders, valve-in-head, water cooled with a 7 1/2 to 1 compression ratio.

**GET THE FACTS!** See how the long life Crosley COBRA engine can improve your product, give you extra sales advantages.



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DD, Spring Grove Ave., Cin-  
cinnati 14, Ohio.

# NB Notebook

## Advice

GOOD friends of business are advising some self-imposed restraints if the election results turn out to be what is generally predicted at this writing. They don't want to see too much jubilation in the post-election period and a repetition of the mistakes which put business "in the doghouse" once before.

So it is even suggested that powerful business interests might undertake to see that consumers, farmers, labor and small business are given greater consideration in forthcoming decisions. Enlightened public, customer and supplier relations already have pioneered the way for such efforts, and the principles merely require wider acceptance.

These counselors of business see hope for their program in the fact that the current boom has not bounced along without misgivings. It has been a unique boom because the thought of "bust" has never been wholly absent. If, therefore, we have been booming along with thoughts of bust, postelection restraints are not only possible but probable. The Society for the Prevention of Too Much Business Whoopee considers the outlook promising.

## Bosses

EVERY once in a while the results of a survey are published which don't seem to square exactly with the facts. For example, a research organization conducted a canvass for an industrial magazine recently and came up with the answer that fully 94 per cent of the workers queried think their bosses are "good Joes."

Maybe so. And our only comment is that the researchers must have caught most of the factory and office GI's in a very sentimental mood. Their expressions at odd moments are often far removed

from such sweet thoughts. The cussing jumps the meter to a full 94 any time. And this is in the true American tradition.

Back of it all, however, we'll allow not quite 94 per cent but a pretty fair margin in favor of the men who keep things going.

## Prices

PRICES have been heard of plenty in this presidential campaign and prices are what business is concerned about probably more than anything else. An expert, Frederick C. Mills, notes in a report prepared for the National Bureau of Economic Research that price inflation after World War I was different because consumer goods were involved chiefly. He adds:

"If labor costs and industrial prices do not give a further fillip to the general price level, and thus in a widening circle to wages, salaries, and a host of services, there is hope that the needed and inevitable internal readjustment of prices may be effected less painfully than it was in 1920-21.

"Maintained high production, with the productivity gains that are potential in the present situation, can provide an umbrella under which some of the most necessary of these corrections may be effected. Under these conditions, and with restraint in the areas where deliberate policy shapes price and cost movements—industrial pricing and wage settlement—amelioration with modest strains may be possible. In the present world situation there is an accentuated need to achieve such amelioration without a major check to productive processes."

## Stock-sales ratios

AS THEY enter the period of their heaviest selling season, retailers will continue to keep a sharp eye on their number one business fig-



# The Idea that became a Christmas tradition



**We don't mean** hanging up mistletoe... (although that can be a very rewarding idea).



**We don't mean** a holly wreath... (although it wouldn't be Christmas without one).



**We don't even mean** sending Christmas cards... (although that's a good way to let friends know you wish them well).

## We DO mean THIS:

If you're wondering what's the best way to say "Merry Christmas!" to your business associates, customers, potential customers, and friends named Bill and Ed and Jim...

... say it with a bottle or so of Four Roses!

So many people give Four Roses for Christmas nowadays that it's become sort of a holiday custom—and well it might be. For you could search high and low without finding a gift that's half so welcome and sure to please—and one that offers such a simple solution of your gift problems!

Four Roses—so softly mellow and distinctive in flavor—is a gift that not only reflects your thoughtfulness but is also a compliment to the good taste of the man who gets it.

Your favorite retailer will be glad to make special arrangements for gift purchases.

**FINE BLENDED WHISKEY**—90.5 proof. 40% straight whiskies; 60% grain neutral spirits. Frankfort Distillers Corporation, New York.



*For the holiday season—in a special, attractive gift carton*

# FOUR ROSES

GIVE WHAT YOU'D LIKE TO GET—AMERICA'S FAVORITE GIFT WHISKEY



...Mark of PROGRESS in Railroading



## Why the roundhouse went square

**Y**OU'VE seen many a roundhouse in your railway travels—a circular building where steam locomotives, arranged like spokes in a wheel, are serviced for their next run.

Something different was needed for servicing Erie's fleet of big Diesel locomotives. Erie Diesels can be operated from either end, and do not require turning. Besides, Erie's passenger Diesels run to a whopping 150 feet, freight Diesels even longer. That's why the "square house" was born!

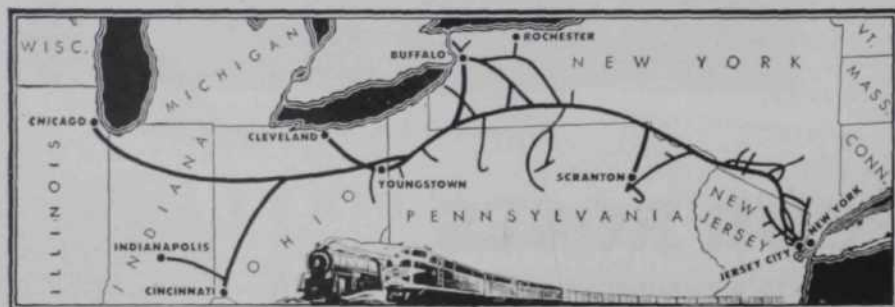
Here Diesels are washed, refueled, lubricated—kept in sweet running order for smooth, dependable service. The shops, much of the tools and

equipment were designed by Erie engineers specially for the job.

That kind of thing is typical of Erie's progressive railroading, of finding ways of meeting efficiently every new problem as it comes up. And another example of Erie's continuous program of providing safe, dependable transportation for both passengers and freight.

## Erie Railroad

Serving the Heart of Industrial America



ure—the stock-sales ratio. Cost, prices and profits are important, certainly, but when a business turn looks likely, the relationship of inventories to sales usually moves into first place.

All through the buying operations which will result in the huge accumulation of holiday merchandise in the stores, great effort was devoted to keeping stocks clean and readily salable because the stock-sales ratio had been creeping up. At last report, however, it was still below the years before the war.

For the years from 1929-1941 big stores averaged a stock-sales ratio a bit over three. In 1945 a low of 2.3 was made.

Keeping stocks down—without losing business for lack of merchandise—is the real trick. It means a sudden business blow does not catch the ship of trade carrying too much canvas.

### Man the brakes!

THE picture in Erie Railroad magazine was captioned, "Dad White and Friend." The friend was a tiger beyond the cub stage. Picture and text were to be found in the department headed, "Erie Veterans."

White is now 91 and started with Union News as a candy butcher and newsboy on Erie trains in 1877. Then he was a brakeman on the Pennsylvania and an engineer on the Chicago, Burlington & Quincy. The tiger in the picture is explained by the fact that he followed up these occupations with a job as lion tamer under P. T. Barnum.

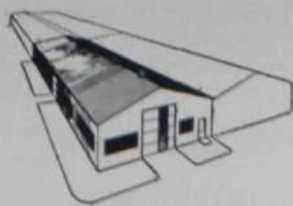
"Are railroad trains different now?" he was asked in routine fashion by the company magazine writer. "Everything is different but the rails," the ex-candy butcher replied. He could remember when together with the brakeman and the baggageman he used to help on the hand brakes. A far cry, indeed, from the new Twentieth Century Limited of the New York Central.

### Just a reminder

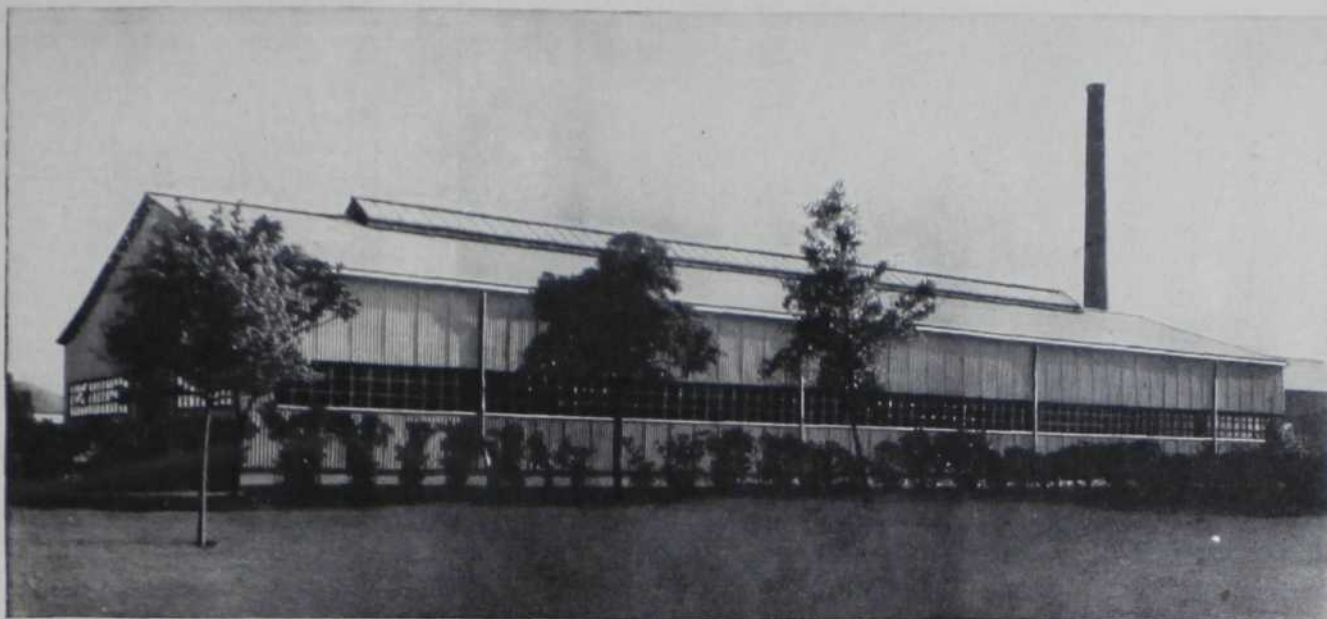
A NEW YORK hardware company official admits that, as he grows older, his memory has turned a little hazy. That's why a little while back he had one of his young associates do a research job on what happened after World War I.

Sooner or later there is bound to be a business readjustment, Alfred B. Kastor, chairman of the Camillus Cutlery Co., believes, and so he reads the report on 1920-21 de-





# Why pay a premium for a "special" building?



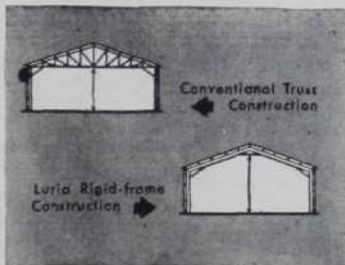
**1.** One reason Luria Buildings cost less is because the complete line is standardized to permit mass production of all parts, with very little fabrication expense. Moreover . . .



**2.** You get all the *advantages* of standardization — without the usual limitations. For Luria Buildings are easily adaptable to almost any use. What's more . . .



**3.** They're *easy to erect*, because they use fewer and heavier members which require less handling, and all field connections are bolted. Still another advantage is that . . .



**4.** They give you *more usable head room* for the full length of the building, because Luria rigid-frame construction requires no intricate, space-consuming trusses.

Chances are, your exact requirements can now be met with *Standard Buildings by LURIA*

With building costs at an all-time high, why suffer the *extra* expense, the delay, the planning and engineering that go into a "special" building? Luria now offers you a complete line of Standard Buildings — *permanent*, steel-frame structures that can, in effect, be custom-tailored to your exact requirements. Yet they cost little or no more than light-weight, temporary buildings.

Many sizes are carried in stock for immediate delivery. Clear spans of 40 to 100 feet, eave heights of 12 to 20 feet, and any desired length in 20-foot increments. For complete information, ask for your copy of the new catalog on Standard Buildings. Write today to Luria Engineering Corporation, Dept. N2.

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## COULD ONE OF THESE EVENTS WIPE OUT YOUR PROFITS?

Labor shortages    Floods, climatic disturbances    New government restrictions  
Wide price fluctuations    Inventions that render products obsolete  
Material shortages    Shifts in public taste    Unexpected glut of foreign goods

No matter how sound your judgment may be... there are any number of unforeseeable events which can turn *good credit risks* into *bad debt losses*.

### CREDIT LOSSES ARE RISING

Your accounts receivable are extremely valuable assets... need protection at *all times*... but especially *now* with the slowing down of payments and with business failures mounting. American Credit insures you against credit loss... **PAYS YOU WHEN YOUR CUSTOMERS CAN'T.**

In addition to paying you in the event of customer failure, your American Credit policy also enables you to get cash for long past due accounts. You can insure one, a selected group, or all of your accounts.

Your insurance coverage is *not* complete unless your receivables are insured. For additional information, phone the American Credit office in your city, or write American Credit Indemnity Company of New York, Dept. 41, Baltimore 2, Maryland.

*J. T. W. Fadden*  
PRESIDENT



# American Credit Insurance

**PAYS YOU WHEN YOUR CUSTOMERS CAN'T**

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA

velopments every three or four months "as a sort of refresher course so that we don't become too gay as prices continue to mount."

### Off base on B. P.

**LIMITATION** on the basing-point system of prices by the U. S. Supreme Court in the Cement Case has created great confusion in the markets affected. Many big steel and other producers decided to abide by the decision before their own cases are ruled upon, and no longer absorb freight charges to the imaginary point of shipment.

Buyers of these basing-point products soon entered protest and it has become clear that small customers were ready to "carry the ball" for getting basing points back under congressional approval.

However, the arguments made for a return to the system fall down rather badly if one takes the trouble to read the Supreme Court decision. Corwin Edwards, chief economist of the Federal Trade Commission which brought the action against the cement mills, explains that the FTC has never required F. O. B. prices, nor forbidden freight absorption "except in a context of collusion or injury to competition, nor challenged the legality of uniform delivered prices."

"Compliance with the law is much easier than it is made to appear in some current comments," Edwards adds. "People who participate in price-fixing conspiracies know that they are doing so. People who adopt a basing-point system in the knowledge that they are acting along lines parallel





to those of all others in an industry do not do so inadvertently."

### Contented cattle

BUMPER crops promise more meat next year, according to farm experts. And now that "something extra" is also promised. William P. Marsh, Jr., president of U. S. Industrial Chemicals, Inc., announces the results of an insecticide test on 8,000 cattle in seven Western states under range conditions, which he claims will add millions of pounds more of meat.

A single application, he reports, will give adequate lice control for the entire winter season. Weight gains in the test were as much as 83½ pounds per animal within a period of 61 days, or eight times as much as for untreated animals. Combined with pyrethrin is a new chemical, piperonyl butoxide, which seems to have immediate killing power and lasting effectiveness.

### Break-even

ABOUT the first test on a major scale of the new and higher "break-even" points in industry is offered in the cotton-textile line. Buyers said prices were too high for consumer acceptance on some weaves and the mills, though granting some concessions, stood firm and began to cut production to protect their own inventory position.

Break-even, let it be understood, is the production level which yields neither profit nor loss. Since fixed costs, which run along whether the plant is operating or not, range higher and are likely to show even more increase, the big question is how long manufacturers can stand on the prices they ask.

One angle to the break-even question is an obvious one. In reducing operations as a means of keeping prices up, people are let out of work. Which means a reduction in purchasing power and just that much more resistance to "sticky" prices. One of the most stubborn fallacies of the business world is thinking that if only price and output could be controlled by agreement, then all would be well for the dictatorship. Where this theory goes wrong is in forgetting that this is a democracy.

### Heads or tails?

BOSTON has an avenue which is only seven feet wide. The editor of *Food Marketing*, an entertaining company publication of First National Stores, wanted to know how

# Just a Cigarette...



... but  
loaded with  
business **DYNAMITE!**

A little fire can ruin a big business. If your records go up, you're in trouble—4 out of 10 firms never reopen after losing their records by fire!

Keep your records in a safe—BUT—

### CAN YOU DEPEND ON YOUR SAFE?

**NO ... if it is a refinished used safe that may have been in a previous fire or burglary.**

**NO ... if it was built before 1917.**

**NO ... if it does not carry the label of the independent Underwriters' Laboratories, Inc.**

**YES ... if it is a new Mosler. Mosler safes carry the Underwriters' label — they can be trusted.**

### WHY TAKE CHANCES?

You'd be surprised at how little it costs to trade your old safe in on the world's finest safe protection—a new Mosler. Near you there's a Mosler office or dealer—write for his address, see him—and see safe equipment exactly suited to your needs!



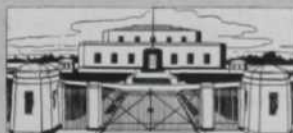
## The Mosler Safe Co.

Established 1848

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Factories: Hamilton, O.

Largest Builders of Safes and Vaults in the World



Builders of the U. S. Gold Storage Vault Doors at Fort Knox, Ky.

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Please send me: ☐ The new free booklet "What You Should Know About Safes."

☐ The Name of my nearest Mosler Dealer.

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## How to get better results from YOUR campaign!

If you're planning your advertising campaign now to get more business in 1949...the 'yellow pages' (classified section) of the telephone directory can help make that program successful.

You simply arrange to place your trade-mark or brand name over a list of your local outlets...in directories wherever you have distribution. Then, prospects who read your advertising and want to see or buy your products are directed right to your authorized dealers.

It's a long-established dealer identification plan called Trade Mark Service that has effectively served hundreds of the nation's leading advertisers. It makes your advertising work better for you and your dealers...helps prevent loss of sales through substitution.



For further information, call your local telephone business office or see the latest issue of Standard Rate & Data.

an alley got that name. George F. Weston, Jr., of Medford, Mass., an authority on Boston, obliged.

It seems it worked on the Kentucky idea of colonel. The little byway that connects State and South Market streets was christened April 29, 1639, as Pierces Alley. It was Alley under different names until March 22, 1941, when the title of Avenue was conferred upon it.

As Flagg Alley it was included in Boston's first traffic law: "When drivers shall meet on these narrow streets they shall flip a coin to see who shall back out."

### Marginal men

IN TIMES of high demand and lucrative prices, marginal producers step in and help meet the call for goods. When prices get too high and demand eases, it is the marginal producer who gets caught first and must unload his high cost inventories before prices slump too far.

So the marginal members of industry perform a useful service at two critical points in the business cycle—when more goods are needed and when lower prices are wanted.

### Cement

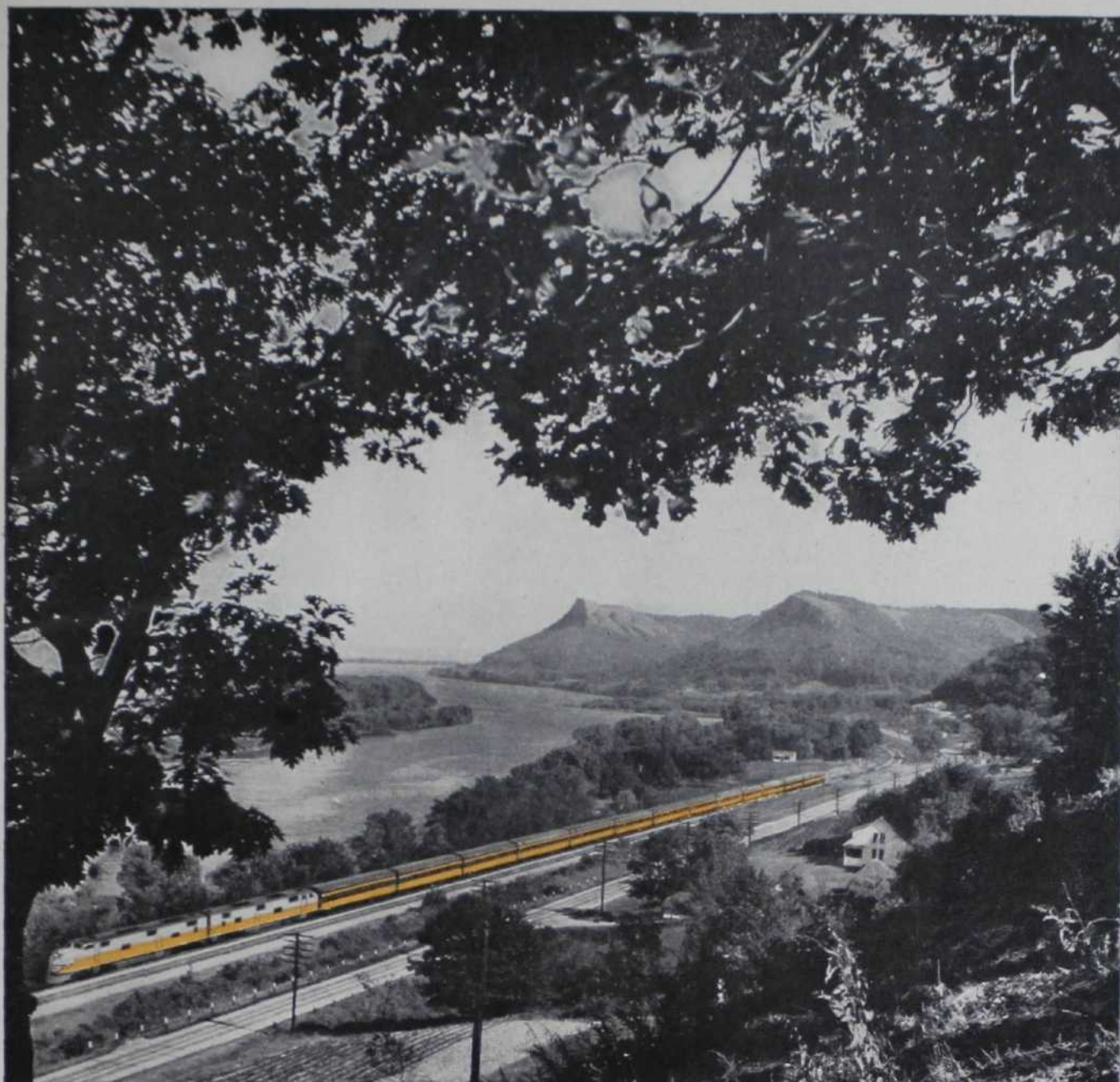
WHEN Joseph Aspdin, an English bricklayer, invented portland cement in 1824, he was just interested in finding a mortar that would harden under water.

He experimented as early as 1811 by burning a fine mixture of limestone and clays in his kitchen stove and pulverizing the resultant clinker. Then he built a kiln in his backyard. He named his product "portland cement" because it resembled a native stone quarried on the Isle of Portland in the English Channel.

Next year, some 125 years after Aspdin got his patent, the Portland Cement Association will complete its \$2,000,000 research laboratory at Skokie, 15 miles northwest of Chicago. The modern portland cement bears little resemblance except in name to Aspdin's discovery. Cement manufacturing today includes more than 80 complicated steps and requires some of the largest and heaviest moving machinery made.

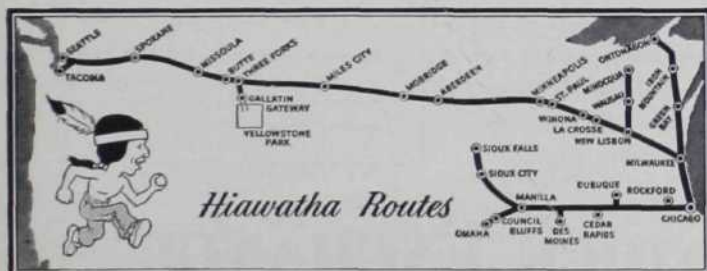
The laboratory now being built will have rooms capable of duplicating arctic cold and tropic heat for testing purposes. Equipment will include a million-pound compressor. Cement ribbons checker-board the nation but search for a still better product goes on.





*Twin Cities Hiawatha along the Mississippi*

## **Yours for a travel treat...** **the Speedlined** *Hiawatha Fleet*



# **THE MILWAUKEE ROAD**

**NATION'S BUSINESS** for November, 1948

Racing swiftly through ten midwestern and northwestern states, The Milwaukee Road's Hiawathas embody all that is fresh, different and delightful in rail transportation.

During 1948 existing Hiawathas have been completely re-equipped and new Hiawathas have taken to the rails. The improvement of these Speedliners and other trains is the outgrowth of the largest car-building program in Milwaukee Road history.

As colorful and attractive as they are silent and smooth riding, the Hiawathas are the culmination of more than 13 years and 12 million miles of experience in Speedliner operation.

If you are planning a trip in the territory shown on map, relax on an orange-maroon-and-silver Hiawatha. H. Sengstacken, Passenger Traffic Manager, 708 Union Station, Chicago 6, Illinois.





## For all to see

IT'S a big moment in a man's business life when he places on his office wall this certificate of membership in the New York Stock Exchange.

Here, for all to see, is a coveted symbol of business distinction. Here is evidence that, together with other Members and partners of Member Firms—some 3750 in all—he has fully and freely accepted a code of self-regulation unsurpassed for strictness.

For the rules by which Members and Member Firms of the New York Stock Exchange agree to conduct their professional relationships with clients cover, among other

things, the amount of capital to be maintained . . . disclosure to customers of the Firm's financial condition . . . plus specific requirements for handling customers' orders and securities.

In the words of the certificate itself, these rules of the Exchange "have been formulated for the purpose of maintaining high standards of honor among its Members and for promoting and inculcating just and equitable principles of trade."

A certificate of membership in the New York Stock Exchange is not easy to get. Nor is it lightly given, for no man can qualify for membership without first fully satisfying

the Exchange as to his professional competence and his business and personal integrity.

To the investor seeking high standards of business conduct and professional service, these facts, we believe, are most significant. They indicate the *positive* advantages of doing your investment business with a Member Firm of the Exchange.

### TWO RULES FOR INVESTORS . . .

1. Know your securities
2. Know your broker

For years the New York Stock Exchange has urged investors to get the facts. This means—*know your securities!* It also means—*know your broker!*



# NEW YORK STOCK EXCHANGE



## MANAGEMENT'S Washington LETTER

► DEFENSE SPENDING is like a cocktail party.

One or two drinks may buck you up, make you ready for good dinner. Four or five probably too many, ruin appetite.

Which is one that produces morning-after regrets?

Similarly:

Big boom factor, defense spending will rise by more billions next year.

At some point it could begin changing business enjoyment to unpleasantness. Could bring back excess profits taxes, tighten materials, manpower shortages, otherwise revive government controls.

This worries business leaders today as much as thought of shooting war as huge military spending continues.

Executives wonder when point of diminishing returns from spending to business is reached.

Which may be that one-too-many appropriation?

► YOU'LL BE WISE to watch future overall government spending as a business conditions forecaster.

It's biggest 1948 boom factor.

Basic federal budget (for debt interest, veterans' benefits, farm price supports, etc.) can't be cut much below \$35,000,000,000.

On top of that go administrative costs.

Now add defense spending. It's due to rise at least \$5,000,000,000 next year.

So would be difficult for Congress to make next budget smaller than present one.

That, plus fact that basic industry sees no near-future weakening of its business, makes for optimism.

Change from boom to nearer normalcy may happen industry by industry without sharp repercussions.

It happened in rubber when tire pipelines filled. It's happening in electrical appliances. Things like autos will take longer.

► THERE'LL BE NEW PUSH for federal aid to education as many more kids enter school in next several years.

For next half-dozen years each new group of first graders will be at least 500,000 bigger than in previous years. Reason: soaring World War II and post-war birth rates.

During next dozen years all of these groups must be handled through entire school system. This means states must find money for more teachers, etc.

Situation adds up to pressure for federal aid. But states, cities, towns may find answer in revising tax rates for more income. May find they can take in

more for schools than they realize.

► NATURAL RUBBER producers worry about your auto tires wearing too long.

Because new synthetic "cold rubber," made at much lower temperature than ordinary synthetic, makes 30 per cent better-than-ever tire tread.

Government rubber experts say longer wearing "cold rubber" tires may hurt natural rubber eventually but not immediately. They cite increased use, government stockpiling.

► WHEN ECA GOES to Congress for more money it'll hear complaints smaller business, industry being squeezed in ERP program.

Here's why:

ECA Administrator Hoffman walks around with copy of ERP law in his hands, follows it scrupulously. His primary interest is foreign recovery.

But many congressmen are as much or more interested in seeing business in their districts benefit from ERP.

Aid program's become so complex that bigger firms experienced in foreign operations can work with it easier than can smaller companies.

ECA emissaries to recent small business men's meeting at Commerce Department found most of them hardly understood ERP, ECA.

► THAT NEW LABOR LAW you've heard so much hollering about is going to stir up fresh arguments in and out of Congress.

Strike activity under Taft-Hartley Act in first eight months of 1948 was one-fourth that in same period of 1947 (before law became effective).

Congressional leaders say this shows success of law but feel can improve it.

Here's what they have in mind:

- Extend non-communist affidavits requirement to larger group of union heads.
- Trim NLRB jurisdiction.
- Outlaw strikes aimed at forcing employer to sign anti-T-H law contracts.
- Clamp down harder on use of collective bargaining to decide employer's kick-in to welfare funds.
- Generally change welfare fund provisions. In drafting present law Congress aimed at United Mine Workers. Later Musicians' Leader Petrillo in re-



# MANAGEMENT'S Washington LETTER

cording strike showed congressmen present provisions are inequitable.

► YOUR FAVORITE BANKER is beginning to feel like a man punished because his particular sandbag on the levee didn't halt the flood waters.

That's if he's Federal Reserve system member.

Here's picture for last fiscal year:

Lending by banks increased only two-thirds as much as that by insurance companies, other lenders.

Increase for FR member banks was less than half as much.

Tightening FR reserve requirements, interest rates to curb credit inflation hit only member banks.

When Congress starts talking about money and credit next year, listen for these suggestions:

Relax recently tightened FR controls because they are not effectively working.

Or extend them to other lenders who are contributing to credit inflation.

Congress, administration will treat whole subject most cautiously.

There's constant fear that misstep could turn boom into recession.

► YOU MAY WANT to reconsider your marketing plans after looking at new Census Bureau population estimates.

Here's thumbnail view:

Total population up 11 per cent from 1940. Excluding armed forces, it is 146,114,000; in 1940 was 131,669,275.

Pennsylvania, California now with New York in more than 10,000,000 class. Michigan, Ohio, Texas each up by nearly 1,000,000.

Forty-one states and District of Columbia gained.

Seven states dropped: Missouri, North Dakota, South Dakota, Kentucky, Mississippi, Arkansas, Montana. All were down less than 5 per cent except North Dakota (-12.8), Montana (-9).

► ARE YOUR DEPRECIATION reserves adequate with present replacement costs?

Business generally says no.

Having consulted business, industry tax experts, treasury and congressional tax authorities are studying matter.

It's doubtful any relief will come from Capitol Hill before 1950. But

business, industry will try to get it sooner.

Says Charles R. Hook, chairman, Armco Steel Corp.:

"We must be tremendously interested in tax revision to create a soundness for our industry that will encourage investors to buy good stocks and bonds."

To continue expansion and maintain financial soundness, he adds, steel needs "at least double present depreciation allowances."

Using stronger language, J. Howard Pew, Sun Oil Co. director and ex-president, foresees economic suicide for industry unless it can insure plant replacement.

Treasury stumbling block: loss of revenue (while spending rises) that would result in revising tax law to permit bigger depreciation allowances.

But Treasury is inclined to agree law must be changed to retain postwar expanded economy.

Industry's argument: soaring replacement costs make present depreciation allowances under law ridiculous, distressing, dangerous.

New Congress will argue this, too.

► YOU'LL SPEND MORE MONEY for postal service next year.

Might be wise to get a list of new rates, effective Jan. 1, from your postmaster and check it over. Perhaps by changing mailing procedures you can hold down cost increases.

Out of 22 various rates only three of the established ones won't go up. Latter include second class publishers', transient rates and standard three cent stamp.

Air mail stamp goes up a cent, new air mail postcards (four cents) come into use.

► SMART EMPLOYERS are doing advance thinking on tough new labor shortage problems coming next year.

It'll be tougher than ever before in peacetime to hire good workers.

Same reason—defense program, complete with increased military output, draft, military hiring of civilians.

Next year's manpower needs will require from 1,000,000 to 1,500,000 more civilians and military personnel.

Serious, spotty shortages will force many employers to grab workers wherever they can (and hope to keep them).

Employers see these outs:

Some 250,000 more draft-exempt veterans will be through with college by next summer.

Many female ex-war workers can be lured back to jobs. High cost of family



# MANAGEMENT'S Washington LETTER

upkeep already sends some back.

Competent handicapped persons still seek work. Their efficiency in right job already amply demonstrated.

Work weeks can be lengthened. Overtime pay welcome with today's living costs.

Worker productivity can be boosted. Management-union cooperation helps here. Mutual benefit of increase must be shown.

Worker efficiency can be improved with training programs and upgrading.

► **DON'T EXPECT QUICK** congressional action on outlawed basing-point plan.

Senate committee opens hearings on it this month. There'll be more hearings next spring. Then committee will have to ponder evidence, compose full report to Congress.

Then it goes on congressional calendars, must find its place among other important issues coming up. Congress might even recess next year without action.

One big reason:

There'll be lengthy debate when issue reaches chamber floors. It'll be prompted by strong pressures from outside both for and against Supreme Court-impelled switch from f.o.b. pricing.

There are differences of opinion in business as to whether it's good or bad. Also regional differences.

Some regions feel they can improve their industrial development with f.o.b. pricing.

► **THAT OLD BUSINESS** bogey man haunts industrial mobilization planners:

Antitrust violation possibility.

It's subject for coming Washington conferences.

Industry, military want Justice Department assurance this mobilization planning is safe.

Radio makers, military ordnance officials worked out industry-wide mobilization pilot plan.

It was considered good model, presented to other industries. They approved, started work on similar ones for their industries.

Then antitrust angle suddenly came up.

Mobilization planning requires industrialists to put heads together. They want Justice's assurance antitrust club won't threaten their heads.

► **DURATION OF BOOM** worries Republican politicians.

Government agency (Agriculture, S.E.C., etc.) reports optimistic for 1949 but not so certain about later than that.

G.O.P. leaders feel:

Recession by 1950 could mean rout of many of their members in Congress.

Business decline in 1950 could be even more disastrous for the Republicans in 1952.

It's unusual for party power to shift in boom year. Seldom happens when domestic issues are chief voter considerations.

Business barometer is generally a reliable political weathervane.

Examples:

First Democrat victory after Civil War was in depression year. G.O.P. took over from Democrats after 1896 business panic. Again after 1920 recession.

Then G.O.P. stayed in through prosperous 20's until Franklin D. Roosevelt captured job in 1932 depression.

Thus G.O.P. worries about avoiding either 1950 or 1952 recession, depression.

► **CHANCES ARE** state you live in is getting deeper into debt.

Most states are. It'll make a difference in doing business with state governments.

Wartime-accumulated treasury surpluses are disappearing.

Highway, other work neglected during war has to be done.

Things states do, buy cost more today.

On top of that are bond issues to pay for veterans' bonuses. They're putting states in hock for millions. Decline in economy, their revenues will find states sweating to pay off.

Indications are that eventually state officials will have to be more realistic financially, quit tax cutting for political expediency.

Or run to Washington for federal aid, generating central government control that they protest.

► **BRIEFS:** Under development by one builder is a low-slung, aluminum railroad car 20 feet long (regular cars measure 85) with single set of wheels on each axle to enable much greater speed....Taking tip from rails, truckers will exchange trailers to cut shipping time, loss, damage....Some prospective employers shy from hiring retiring Rep. Fred J. Hartley. Taft-Hartley Act co-author, as industrial relations men for fear it would infuriate unions.



*Department stores, and businesses of every kind,*



*now cut accounting costs up to 30%!*

Could National mechanized accounting save as much for you? Almost certainly! For businesses of every size and type, employing from 50 people, up, report that upon mechanizing their accounting with National Accounting Machines, they effected savings

up to 30%. Savings which often pay for the whole National installation in the first year—and then run on, year after year. Ask your local National representative to check your present set-up, and report specifically the savings you can expect.

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# TRENDS



## OF NATION'S BUSINESS

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### *The State of the Nation*

OUR forty-first presidential election is now history. The tumult and the shouting, in this particular field of controversy, are stilled.

In the rush of coming events much of what was said in the heat of the battle will be forgotten. And one may hope that all which would have been better left unsaid will be forgiven. The four years immediately ahead will not be easy for the new Administration. It will need the goodwill of a united people.

One factor, in particular, has made the campaign now closed unusual. This is the first time since 1912, when the Republicans split and the Socialists polled almost 900,000 votes by men alone, that there have been four major candidates. Those with long memories will have noted the similarity between the 1948 election and that which brought in Woodrow Wilson, recognizing that this time it was the Democratic Party which was affected by disintegration.

• • •

Henry Wallace, because of the ardent support given him by the Communists if for no other reason, was this year cast in the extreme left-wing role played by Eugene V. Debs as the Socialist candidate in 1912. It is true that the Socialist Party of 1948 had a candidate of its own, in the personable and perennial Norman Thomas. But American socialism, as distinct from communism, has been practically absorbed by the New Deal. In the current election Thomas was a leader without a party, and the Communists were a

party without a leader—because they take their leadership from abroad.

With the 1948 election decided, the primary political question before the country is whether the present multiplicity of parties will continue. That didn't happen after the Bull Moose split. In the following four years the Republican Party closed its ranks so firmly that Charles Evans Hughes lost to Woodrow Wilson, even though the latter had the advantage of a successful term behind him, by the close margin of a single state. This time the two-party system may not be so readily restored.

The restoration will be more difficult because the cleavages in the Democratic Party run so deep, and follow divisive lines of fundamental principle. It would seem to require the services of another "peerless leader"—a man combining the magnetism of William Jennings Bryan and the adroitness of Franklin Delano Roosevelt—to cement these fissures.

The changes which caused the Democratic Party to fall apart were not due primarily to New Deal policies, and even less to Mr. Truman's political ineptitude. To recall the name of Bryan is by itself to indicate how far back the origins of this disintegration run.

For many years the Democratic Party successfully straddled two diverging principles. It endeavored, on the one hand, to support the principle of States' Rights, which necessarily means opposition to the enlargement and strengthening of federal powers. And, on the other hand, the





*"Vision is Indispensable to Progress"*

## A growing river of Steel brings you this flood of useful, durable products

From steelmakers' furnaces pour the molten metals for thousands of the things Americans enjoy today—from bridges to bicycles, from ships to scissors, from railroads to razors, from tunnels to tin cans.

For steel is not just *one* metal. There are 500 different kinds of steel, supplied in 100,000 sizes, shapes, finishes and compositions. Because of the vision and skill with which steelmakers have adapted their products to new uses, steel has truly become the backbone of our civilization.

One important phase of steel's multi-million dollar research program is the use of oxygen in blast and open-hearth furnaces, which promises material increases in production. Steelmen are also working to find ways of using lower-grade ores.

New means of casting steel direct from melt into semi-finished form—by-passing the ingot stage and blooming mills—is another research development which, together with other improvements, may lead to still greater production efficiency in new and existing steel manufacturing facilities.

From raw steel—made tougher, or more pliable, in new and old forms, with new properties and qualities—will come the products of tomorrow. Research men in steel companies are working alone, working together, and working with manufac-

turers to develop the specialized metals which these new products require.

Where else but in America are men as free to work out new ideas . . . to create new products . . . to participate in the ownership and management of business? Where else are so many people so profitably employed? Where else is the standard of living for the average man so high?

Vision is indispensable to progress—and progress, in turn, demands freedom.

**BANKERS TRUST COMPANY**  
NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION





Democratic Party made a direct appeal to wage earners, in factories and fields, by advocating subsidies of every conceivable kind. All of these subsidies inevitably imply encroachment by the federal Government in matters traditionally regarded as local responsibilities. So clear a contradiction could not last indefinitely.

At the Democratic national convention, last July, it finally became clear that the socialistic principle had triumphed over the local government principle in the councils of this party. One natural result of this has been the virtual elimination of American socialism as a separate political force. The great majority of those who may be called temperate Socialists have now merged in the Democratic Party. The intemperate Socialists have now moved further Left to cooperate with the Communists, who undoubtedly will do all they can to keep the Wallace-Taylor organization a going concern. That is the Moscow-approved "Popular Front" technique.

The States' Rights party, of course, is a movement back in the direction of traditional democracy. Its significance has been sadly underestimated by most political commentators, as indicated by the effort to stamp it with the absurd label of "Dixiecrat." The chances now seem fairly strong that this party will continue in being, partly because it so firmly controls the local organization in several states. The States' Rights party is the more likely to continue if the Republicans tacitly espouse the cause of centralization.

One of those political facts which is obvious, but nevertheless currently needs emphasis, is that our form of government demands two major parties, one upholding the principle of centralized political power, the other defending local government against encroachment by federal authority.

This political division was foreordained when the United States was established as a federal republic. The very name of our country reflects the continuing issue. In speaking of the United States, everyone tends unconsciously to emphasize either the adjective or the noun. The several states are certainly united in one well-unified government. Nevertheless, the states, as such, continue as separate governmental units. In a good many respects they still retain the measure of sovereignty specifically assured them by the Tenth Amendment to the Constitution.

As long as the republic preserves its federal form it is certain that its citizens will divide on the fundamental issue of how much power should be concentrated in the central government, and how much should be preserved for the state governments. Of course, there will be many other divisions of opinion, but this one is vital. For this division decides the very nature of our form of government. If this division becomes extinct, so

will the republic which is geared to it.

Therefore, a clarification of the Republican attitude on the issue of States' Rights can scarcely be avoided. That clarification, of course, may come by default. The G.O.P. leadership may move towards centralization while asserting that it believes in local government. But political camouflage of this sort never fools all of the people all of the time. By its works a party, as well as a man, is justified.



So, although the election is over, it becomes apparent that we are entering what is destined to be a crucial period of American political history. The flux which affects every aspect of life in the postwar world is also clearly apparent in our domestic political organization.

There are two major reasons for hoping that out of this flux will come a recrystallization of party philosophy along lines of fundamental principles. The first is severely practical. The other is really no less practical, but is a little less evident unless one habitually thinks of politics as something a great deal more important than the fate of the personalities engaged.

Any representative government obviously works best, from a mechanical viewpoint, when there is one disciplined party in office and another actively endeavoring to obtain office. The responsibility, both for administration and for patriotic criticism, is then unequivocal and clear-cut. Many of Europe's difficulties can be directly traced to the multiplicity of parties which have so deplorably confused the operation of government there. It was by taking advantage of this confusion that both the Nazis and the Communists were able to win converts to their cause and destroy democracy.

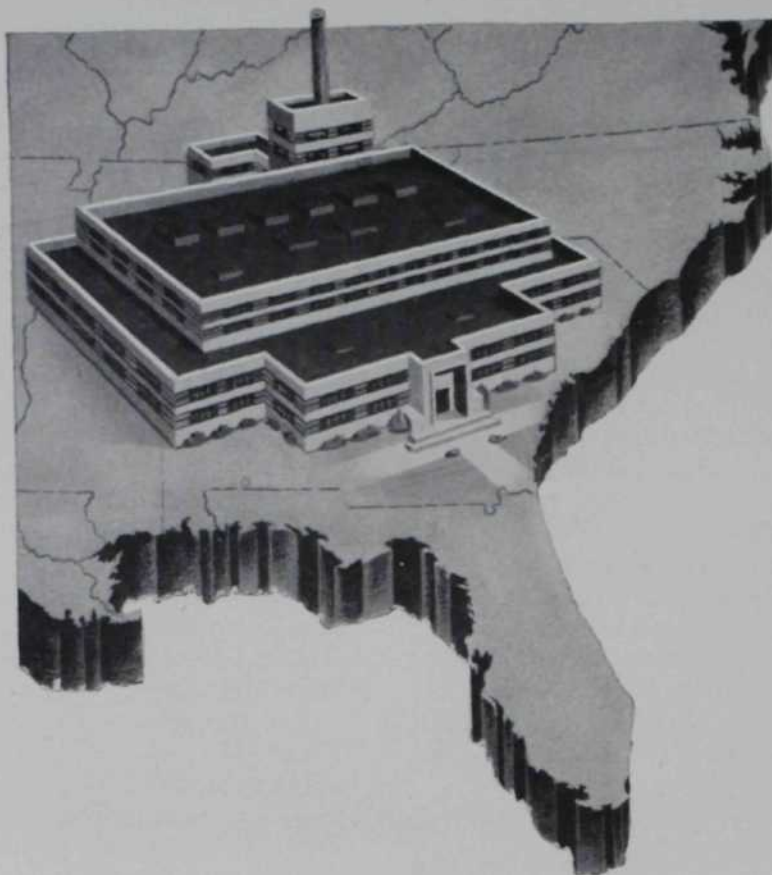
But it would be doubly unfortunate for the United States if the American people should scrap the two-party system which, whatever its shortcomings, has on the whole served us so well. For the existence of two parties, attached to fundamental though opposing principles, means that our form of government is in good health.

It means that the desirable frontier between centralized and localized government is constantly being resurveyed, according to the needs of the day. It means that people are contributing to and benefiting from the presentation of conflicting yet carefully reasoned viewpoints, which is the only road toward Truth.

It means that our republic is steering safely between the rocks of anarchy on the one side; and the reefs of dictatorship on the other.

—FELIX MORLEY





## Sitting Pretty

Your factory would be, too, if it were located in the Southland.

For if there was ever a place formed and fashioned for sound industrial growth, it is the South. Wherever you go . . . wherever you look . . . your imagination will be stirred by evidences of great natural resources, of progressiveness, of confidence in the future.

No wonder new factories are arriving almost daily, and old ones are expanding, all along the 3,000-mile Southern Railway System. And they're all "sitting pretty" in this amazing industrial opportunity-land.

*"Look Ahead—Look South!"*

*Ernest E. Harris*  
President



### SOUTHERN RAILWAY SYSTEM

*The Southern Serves the South*



# The Month's Business Highlights

**C**ANDIDATES for political office have had to answer questions many times in recent weeks as to high living costs. The replies which seemed most satisfactory run like this: The public must not rely too much on government action. Drastic government action in efforts to control prices is regimentation. Nothing is more unpopular in America. Reliance has been placed instead on voluntary methods and the cooperation of citizens. Each citizen should feel himself a part of government and do his part by deferring purchases of scarce articles as long as possible.

In the same way there has been opportunity for business to defer unnecessary expansion, for corporations to pare profits, for banks to withhold credit and for labor leaders to exercise moderation in their demands. Government should contribute to this effort—by aiming at a treasury surplus and by preventing undue expansion of bank credit.

The campaign doubtless has brought home to government officials, to individuals and to organized groups the realization that they have not done their full part in the fight against inflation but there can be no doubt as to the unpopularity of any return to the exercise of broad controls by government.

Living costs are one-third higher than on V-J Day and have increased 10 per cent in the last 12 months. Increasing dislocations in the economy cannot be denied and the hardships on those with fixed incomes are becoming highly painful. Furthermore, wholesale prices have gone up considerably more and this additional rise is likely to be reflected in further advances in living costs.

Consumer resistance to some of the prices being asked and the inability of increasing numbers to buy many of the things they want are operating to check inflation, but as long as basic industries like steel, coal, oil, automobile and building are short of materials and manpower the inflationary danger will continue to threaten the whole economic structure.

## New Christmas Records Seen

All records for Christmas trade probably will be broken this year. Summer sales ran well ahead of last year. Sales volume has increased rapidly since Labor Day. December trade this year may run nearly 75 per cent above the monthly average. While the dollar total of Christmas sales is



expected to exceed that of 1947, there is more question as to the showing on a physical volume basis.

Christmas sales would have been larger last year had more goods been available. This year fewer items are in short supply. Retailers will be able, in all but a few lines, to take care of a heavier demand. Reinstatement of limitations on instalment credit may discourage purchases of certain articles but levels of income and savings are such that this may not be an important deterrent. Instalment credit is not a big factor in women's wear and various other department store items. Consumer resistance has become pronounced in the meat trade and in the sale of certain high-priced goods, but the opinion is that this will not influence the items that make up the major part of the Christmas trade.



The Federal Reserve has raised reserve requirements. This makes it possible to support the bond market without adding to usable bank reserves. Credit can be tightened only if the amount of additional reserves impounded is larger than the amount of bonds bought by the Federal Reserve. Credit cannot be tightened without disturbing the bond market. Consequently, if the bond market must be left undisturbed, credit conditions cannot be tightened. Dogs have learned that chasing their own tails is unrewarded effort. Human beings, however, continue to attempt to wring results from equally fatuous procedures.

Higher interest rates appear to have had little bearing on the demands of borrowers but they are encouraging bankers in their efforts to reduce the volume of lending. With higher yields on treasury obligations, banks are less dependent on revenue from loans.

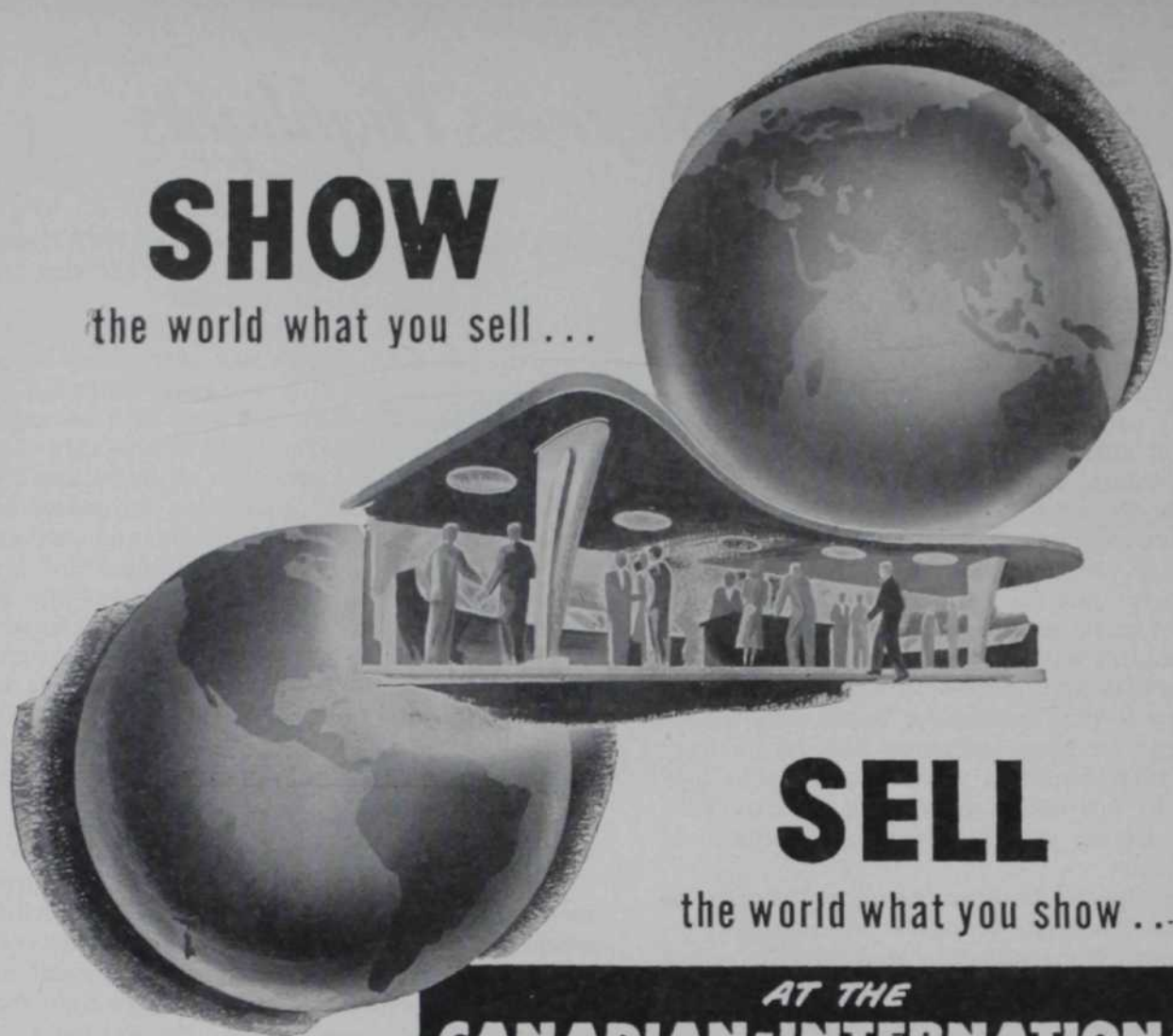
Exports are being screened carefully to make sure that this country is not drained of goods and materials that are essential to the maintenance of a strong domestic economy. That is more important to Europe than the receipt of goods. In changing officials who handle that government activity, care should be exercised so that export licenses do not become a tool of those who cling either to isolationist or "one-world" theories.

Both imports and exports in the trade with France indicate rapid improvement of economic conditions there. Real progress is being made despite the unsettled political situation. The clamor



# SHOW

the world what you sell ...



# SELL

the world what you show ...

**AT THE  
CANADIAN-INTERNATIONAL  
TRADE FAIR  
TORONTO...MAY 30 - JUNE 10, 1949**

Full information, together with exhibitors' application forms, may be obtained in the United States from the following Canadian Government Representatives:

**Washington**—Commercial Counsellor, Canadian Embassy, 1746 Massachusetts Ave., N.W.

**New York**—Canadian Government Trade Commissioner, British Empire Building, Rockefeller Centre.

**Detroit**—Consul of Canada, Canadian Consulate, 1035 Penobscot Building.

**Chicago**—Consul-General of Canada, Suite 800, Chicago Daily News Building, 400 West Madison Street.

**Los Angeles**—Canadian Government Trade Commissioner, 510 West Sixth Street.

**San Francisco**—Consul-General of Canada, 3rd Floor, Kohl Building, 400 Montgomery Street.

Or write direct to

The Administrator,  
Canadian-International Trade Fair,  
Exhibition Grounds, Toronto, Canada



Producers and manufacturers of every nation are invited to show their products at the new world marketplace—the Canadian-International Trade Fair—to be sponsored again in Toronto by the Canadian Government, from May 30 to June 10, 1949.

Here you can meet and deal directly with businessmen who have come to buy from every part of the world—compete on equal terms with the products of other countries—and form invaluable international connections for future business.

Visiting businessmen from 73 countries attended the 1948 Fair—and 1400 exhibitors displayed the products of 28 different nations. Advance reservations indicate that the 1949 International Trade Fair, again sponsored by the Government of Canada, will be even more successful.

Exhibitors' applications should be received before January 1949, in order to permit the most equitable allocation of available space. Later applicants will risk disappointment. Full information and application forms are obtainable on request.

**CANADIAN-INTERNATIONAL TRADE FAIR  
TORONTO CANADA**

Dedicated to the promotion of international trade by the

# GOVERNMENT OF CANADA



in France for a strong executive has been growing for many months. While De Gaulle is no wonder, he probably is wise enough not to overdo his role and thus give French Communists a chance to recover the ground they have lost.

Devaluation of the pound sterling is a development to be expected soon. That action awaits the time when the increase in the revenue from exports will exceed the increase in the costs of imports. The extent to which the pound is out of line with existing realities is obscured by price and other controls.

Most of the world's currencies are overvalued. It is being urged abroad that instead of devaluing 40 currencies, the situation could be met better by revaluing the dollar upward. There is some demand in this country to undo the action of the late President Roosevelt and restore the old price of gold. This probably will not be done. To revalue the dollar upward would make it more difficult to export goods. It would be equivalent to an over-all duty on exports and a reduction of duties on imports. Such a step would be opposed by the export industries, which include agriculture.

If the dollar were revalued, the treasury would have to make up the loss. If a gold stock of \$20,000,000,000 were revalued at \$20 an ounce, its nominal worth then would be \$11,500,000,000. The treasury would have to restore \$8,500,000,000 as cover for gold certificates. There is another difficulty with such procedure. Different currencies need varying degrees of devaluation. To operate on the dollar alone would affect them all equally. At present few countries want to devalue because it would increase the cost to them of American goods which they now must have. When they are more nearly self-sufficient, they will devalue.

The opinion that Russia opposed the Marshall plan to make sure that it would go over, thus increasing the chance of boom-and-bust in the United States, is a wisecrack. Russia is smart enough to know that political pressures in the United States would be sufficient to prevent exports at a rate that would undermine the economy at home. Communist influence in western Europe is declining in direct ratio to the improvement in conditions just as the Russians knew it would. That was a certainty. Their main objective for a long time has been to handicap and stop the aid.

• • •

Because the New York Stock Exchange no longer is a great speculative center some people think this institution has diminished greatly in importance. This is not the case. It is essential to the successful functioning of a highly organized economy with a widespread system of multiple ownership of enterprises. There must be a market where shares of ownership can be bought and sold

readily. It is not the function of the Stock Exchange to serve as a barometer which will forecast changes in business weather. It is not a good barometer. It never has been a good barometer. The stock market reflects sentiment. Sentiment is not always rational. As a result, the market often misrepresents conditions and prospects.

There was a time when the market was better geared to take care of speculation than it was for its legitimate function. Margin requirements have put a crimp in speculation. The Exchange now is set up so that it is in fact a market place. That means that the amount of money invested in the brokerage business is excessive for the amount of business left for it to handle. This explains complaints that are being heard.

The political campaign has not disturbed American business in any important way. Business men know how to disregard campaign froth. Throughout the period of intensive political warfare on all sides the business-as-usual principle has prevailed.

High cost of building has become a limiting factor in industrial construction. Expenditures for industrial buildings in 1948 may be significantly lower than in 1947. The 1948 figure for residential construction will be two and one-half times that of 1939. Since the low point reached in 1944, the residential curve has gone up steeply. Nearly all residential construction is financed with borrowed capital.

In the early stages of the rise in agricultural prices the costs of farming lagged behind the increase in receipts to the profit of the farmer. Now farm income has begun to decline but costs continue to mount. Unfortunately for the farmer, the period in which he benefits from lagging costs is much shorter than the period required for costs to adjust themselves to decline in income.

• • •

Paris developments make it clear that the issue is the Ruhr and its industries rather than Berlin.

Expert observers believe that: Increased processing and distribution costs of textiles and manufactured foods may offset lower prices of raw materials. . . . Cotton prices have been depressed by the largest crop in 11 years and by a decline in domestic and export demand. Prices for future delivery indicate that the new crop will sell at a lower level. . . . In view of the present feed situation, livestock population, human population and the demand for meat and livestock products, it seems that almost every factor is encouraging to the expansion of feeding operations.

—PAUL WOOTON





# *It's a Burroughs!*




8-Column  
Adding Machine  
Capacity 999,999.99

Only huge volume production to meet great popular demand makes it possible to offer this famous Burroughs adding machine at so low a price. Fast, accurate, dependable, it's a Burroughs through and through . . . precision-built to the high standards that have made Burroughs the most-used adding machines in the world.

Your local Burroughs representative can show you why a Burroughs at only \$125.00 will outperform and outlast any other adding machine in its price field. Give him a call *now*, or write Burroughs Adding Machine Co., Detroit 32, Mich.

## *and only \$125*

WHEREVER THERE'S BUSINESS THERE'S

**Burroughs** 



# Washington Scenes

**A**T LEAST one man took a clear-cut stand in the 1948 campaign. He was an Englishman, the correspondent of a London newspaper, who was traveling on President Truman's far-ranging campaign special. It was his first trip across the United States and it was an experience he will never forget. Along about the tenth day, after journeying through the industrial areas, the corn-and-hog belt of the Midwest, the plains country, and the breath-taking Pacific Northwest, the Englishman was looking out on California's lush Sacramento Valley when he suddenly exclaimed:

"Damn King George the Third!"

## Sectional Problems

A presidential campaign would be worth while if it did nothing more than to get the candidates and political writers out on the road. The United States is so big, and its terrain so varied, that many of its sectional problems can never be thoroughly appreciated except by an on-the-spot study.

The New Yorker, for example, is likely to become weary of listening to the West harp on water power, irrigation and reclamation. Once he has been out in the West, however, and has seen the great stretches of wasteland that need only water to make them bloom and produce—well, he not only begins to understand, but more often than not actually gets excited about the problem.

What impresses one most vividly in barnstorming around the country, however, is the unity among Americans in the matter of foreign policy. The terms "isolationist" and "internationalist" no longer have any meaning so far as the nation as a whole is concerned.

The candidacy of Henry Wallace underscored this fact. The Wallace vote is in no way a true reflection of the Russia-is-right sentiment in the United States. Many of Wallace's supporters, it became clear to me, had little or no sympathy for his appeasement views. This was especially true among his Negro followers. They cheered his fight on Jim Crow, yes, but the great majority of them almost certainly were opposed to his pro-Stalin stand.

In the course of the campaign, I traveled with Wallace on two occasions—first, when he ran into the egg-and-tomato barrage in the South, and later on in Texas. I also was assigned to the campaign trains of Mr. Truman and Gov. Thomas E.

## TRENDS



### OF NATION'S BUSINESS

Dewey. Looking back on 25,000 miles of travel, the experience that stands out most vividly came during a five-day period in Texas. It was an experience that involved Mr. Truman, Wallace, and Gen. W. Bedell Smith, American ambassador to Russia.

The 17 car Presidential Special had traveled across the continent, down the Pacific Coast and then into the Southwest.

The Chief Executive's opening blast—his raw-hiding of the Wall Street "gluttons of privilege" at Dexter, Iowa—had not gone over so well. The well-heeled farmers of the Tall Corn state, many of whom arrived in their own private airplanes, liked "Harry" all right, but they liked him best when he wasn't trying to frighten them. They stood in silence during his tirade against Wall Street, but laughed and applauded vigorously when he told a mother-in-law story. It was the same in Denver, where Mr. Truman warned that a Republican victory would make the West "an economic colony of Wall Street."

On the way across the Rockies and the Sierra Nevada range, Mr. Truman let up on Wall Street somewhat but went all out against Congress—the "do-nothing, good-for-nothing, notorious Eightieth Congress," as he called it. He warned the voters that this Congress, if returned to Capitol Hill, would do them "double dirt," and he appealed to them to join him in his "crusade" to keep the country from "going to the dogs."

So it went, also, down the Pacific Coast and into Arizona, New Mexico and Texas. Harry Truman was an angry man, indeed.

Then came Sunday and a remarkable change. In picturesque San Antonio, Mr. Truman explained that he never made political speeches on the Sabbath. He attended services at the First Baptist Church and then went sight-seeing. Riding along the streets, under a dazzling sun, he was no longer the political feudist from Missouri, but a benign Chief Magistrate.

He visited the Governor's Palace in San Antonio—originally used by the Spanish governors of Texas—and came to the old wishing well.

• • •

Gov. Beauford Jester of Texas handed him a penny.

"I wish for peace in the world," said Mr. Truman, dropping the penny.

Later, talking from a flag-draped stand in front



# How well do you know the Empire State?

## AS A MARKET



1. Expanding your business? Relocating? Your greatest market, in people and wealth, is New York State. Do you know how much of the nation's population lives within 500 miles of N. Y. State's boundaries? 20% ( ) 40% ( ) 50% ( )

## AS A SOURCE OF SUPPLY



2. No other market place equals N. Y. State's variety of supply. Raw materials, professional services, storage—here's a bonanza for buyers. How many of the U. S. A.'s 446 industries are represented here? 25 ( ) 125 ( ) 422 ( )

## FOR ITS LABOR



3. New York has more skilled labor than any other state—a factor if you're planning a branch plant. As for man-days lost through strikes, how does New York's record compare with the nation's? Better ( ) Worse ( ) Same ( )

## AND ITS TRANSPORTATION



4. To move supplies or products, New York manufacturers enjoy 63,965 miles of improved highways, 907 miles of inland waterways, 22 airlines. What's your guess on how many railroads serve New Yorkers? 12 ( ) 41 ( ) 21 ( )

## AS FOREIGN TRADE HQ



5. Insurance, banking, harbor and warehousing facilities make the Port of New York a "natural" for importers and exporters. How much of the nation's imports flowed through New York State Customs Districts in 1947? 18% ( ) 28% ( ) 47% ( )

## FOR ITS WELCOME TO BUSINESS



6. Every business is different—we cannot possibly cover, here, all the facts you want to know. For the answers to any questions about New York State, write: Commissioner, Dept. of Commerce, Room N11, 112 State St., Albany 7, N. Y.

## ANSWERS:

1. About 50% of the population of the U. S. A. 2. 422.  
3. Five-year average is 42% better. 4. 41—with 7,639 miles of track. 5. New York State handled approximately 50% of the nation's imports and exports.



**NEW YORK**  
*means business*



of The Alamo, Mr. Truman returned to this theme, saying:

"The one ambition that I have is to see a peaceful, happy world. If that can't be accomplished, there is nothing else worth while."

This mood continued into the night, when 500 of the Democratic faithful gathered in the Gunter Hotel to hear and cheer their standard bearer. The Very Reverend Robert E. Lucey, Catholic Archbishop of San Antonio, who said the invocation, prayed that Mr. Truman would be given the strength and wisdom to lead America down "the path of honor." Former Speaker Sam Rayburn got in a few partisan licks, but the Chief Executive declined to follow.

"The question of peace," he said, "is much more important than whether I'm President of the United States."

The applause that followed was the most fervent that Mr. Truman had heard from the moment he started out from Washington.

Next day, back on the stump, Mr. Truman was again the political warrior, mocking Governor Dewey for his "high-level platitudes" and his lullaby talk about "mother and home and unity." Somehow, though, domestic issues had begun to seem pale, after the events in San Antonio.

In Dallas, something happened that intensified this feeling. Gen. Smith, our envoy to Moscow, flew in on the four-motored presidential plane, the *Independence*, and, after identifying himself to the Secret Service men, boarded the campaign train. Talking to Mr. Truman on the way from Dallas to Bonham, he gave him a complete fill-in on the cold war between the West and Russia.

Some of the pro-Dewey reporters on the train suspected that Mr. Truman had summoned Ambassador Smith to attract attention to himself and to add drama to his campaign swing. The evidence, however, was against them.

In a talk with us in the press car, Gen. Smith was asked how the Russian leaders felt about the 1948 presidential campaign in the United States.

"Do they ask about Governor Dewey?" a reporter wanted to know.

"Yes, they do," Smith replied.

"Do they think that the election of Governor Dewey would bring about a change in our foreign policy?" he was then asked.

"We have explained to them," Smith said, "that our foreign policy is backed by both major parties and by more than 90 per cent of the American people."

Well, what did the Russians think about Henry Wallace? Did they really take his candidacy seriously?

General Smith said that he didn't know the answer to that one. But he pointed out that the communist organ in Moscow, *Pravda*, had been

telling its readers that millions and millions of Americans were flocking to Henry Wallace and his third party.

A day or so later, I left the Presidential Special to see how Wallace was faring. The Iowan had invaded the Lone Star state just behind Mr. Truman, visiting Dallas on the first day and Houston on the second. I caught up with him in Houston, and the transition was for me a startling one.

The Texans were giving Wallace the silent treatment on a grand scale. Hardly anybody bothered to look at him during the day.

In the evening, during a Progressive party rally, Wallace got a break from a publicity standpoint. Some high school students and a merchant sailor (who said he was from Pennsylvania) fired eggs and tomatoes at the candidate, and he was back in the news again.

The cries from the hecklers were the same as those heard earlier in North Carolina and Alabama: "Go back to Russia!" and "Who told you to say that—Joe Stalin?"

He's a hard man to figure out, Wallace is. Several writers—including some of his erstwhile close friends—have had a go at it, but it is doubtful if any of them have really succeeded. What are you to say about a man who talks as Wallace does and then excoriates others as "demagogues?" Or who makes statements like these:

"I am a business man. I am the only business man running for the presidency."

It is possible, of course, that Wallace is a genius; in the field of plant-breeding, that is. He is reputed to have made millions from his hybrid corn. And it is also possible that, like some other geniuses in history, he feels that his skill in one field qualifies him to be a Messiah in another.

After traveling with Wallace and talking to him, I am sure of only one thing, and that is that he is a man with a terrible capacity for hatred. The object of his hatred in the campaign now ending was, of course, President Truman.

Mr. Truman didn't seem to be aware of Wallace's true feelings until after he had fired him from the post of secretary of commerce. However, some of the President's aides say now that they caught on long before this. They say it was apparent to them on the day that Mr. Truman was sworn in as President in April, 1945.

This little man from Missouri, Wallace must have felt, was not the rightful heir of Franklin D. Roosevelt.

"How could he be?" one can imagine the tortured Wallace saying. "Did not F.D.R. say that if he had been a delegate at Chicago, he would have cast his vote for me?"

—EDWARD T. FOLLIARD










## “How I dreaded to push that doorbell”


**MAN IN THE STERN:** You remember John, our office manager?


**MAN WITH PIPE:** Of course. He's been with you ever since you started in business.


 Well, John died last week — a heart attack. When I went over to his house to see his wife the day after the funeral, I was plenty nervous.


 Must have been quite an ordeal.


 I had a check in my pocket for John's widow. That helped, but even so I dreaded to push that doorbell.


 You mean your company was helping her out? Or was it your personal check?

 Neither. It was a check that our Travelers agent had brought by that morning. He set up our Employee Insurance Plan three years ago. We would have helped, of course. But we wouldn't have been able to give his widow nearly so large a check.

 But I didn't know your company was big enough to get in on group insurance.

 I didn't think so either, until our Travelers man told me about this plan. It's the same plan that big companies have, cut down to our size.

 Does it cost a lot? Or is it something my firm could afford?

 Each one of our 17 people is insured — some for as much as \$5000. We pay for it all, and yet it costs us only \$480 a year.

I don't know of a better way for a company to spend money. When John's widow thanked me, I was certainly glad that I'd learned about this Travelers plan in time to help John's family. John had always told her, she said, that he worked for a fine concern.

The Travelers pioneered in the group insurance field, and was the first company to adapt the group insurance idea to the needs of small business. Take advantage of Travelers experience in making your employee insurance bring you the greatest return — in employee satisfaction, in employee good will.

*On all forms of Employee Insurance you will be well served by The Travelers*

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut. Serving the insurance public in the United States since 1864 and in Canada since 1865.



# Jackpot for 1960

By VERGIL D. REED

**S**UPPOSE you're 41 years old and in business today. By 1960 you should have arrived at a position of leadership, still in your prime, aged 53. What kind of business field can you expect to play through then?

If your son graduates from college in 1952, he can hardly expect to start as president of the company and advance from there, but

if he's good, his head should be showing above the crowd by 1960. He should be "on the make" through the '60's. What will be par for the course? What must he know to improve his score?

Both you and your son can be sure that the only normal characteristic of business in the '60's—as in the '50's or the '70's—will be constant relentless change in your market, in distribution and in production. Fortunately, most changes conform to basic trends which can be detected, measured, put to work as a basis of future policies and plans. It is easier and more profitable to go with the trends and currents rather than to buck them.

There are many obvious trends

and changes which cast their lights and shadows far beyond 1960, but even the obvious is likely to be invisible or blurred. Without crystal gazing or tea reading we shall attempt to bring into sharp focus the panorama of trends and changes—the setting against which you or your son will play your parts in the '60's.

A hundred years ago the average American worker put in 70 hours per week and produced just over a quarter's worth of goods per hour. Today, he works a little more than 42 hours per week and produces more than \$1.40 worth of goods per hour (in constant dollars). His output per man-hour, in actual goods, has increased five times in 100 years, roughly 20 per cent per

**THE NEXT two decades will see America making greater use of power and machines and employing more people at higher wages**

TY MAHON





decade. Upon this continuing increase in productivity depends the growth of our future real income and standard of living.

By 1960 productivity will probably exceed \$1.75 per hour. This increase is not confined to industry. It is particularly rapid on our farms, and will continue so. In 1870 the average farm worker produced an annual output of \$360. Today, it's \$2,500. Correcting for the change in the value of the dollar, the gain is still great.

The major cause for these increases in productivity is power mechanization. Yet we still have far to go, particularly in agriculture. We will continue to multiply our energy with power and machines. We will substitute kilowatts for human energy; gasoline and coal for oats and hay—and employ more people at higher wages.

On the Mississippi delta a bale of cotton costs 160 man-hours of labor, if cultivated by a one-mule

cultivator and picked by hand. With a four-row tractor, flame cultivator and mechanical picker only 28 man-hours are used.

How far we've come and where we're headed by 1960 in the use of power and machines is best stated in a recent pamphlet of the Twentieth Century Fund:

"The work output we got from mineral fuels was 500 times greater in 1944 than in 1850. The contribution of coal, petroleum and natural gas to our 'work energy' supply increased from less than five per cent of the total to more than 87 per cent. Together with water they do 94 per cent of our work for us today, while man and animals do a meager six per cent. It seems likely that by 1960 human beings will contribute a mere 2.5 per cent of our energy output. On the whole, animal energy probably costs 30 to 100 times as much as mineral energy, and human energy from 300 to 1,000 times as much."

The use of this energy and these machines will make more jobs at higher *real* wages than we have ever known! A major problem for management and unions alike through the '60's will be to convince workers that they can further increase their standard of living only by increasing their productivity.

The equipment to make this energy available means large initial outlays of capital, so it's going to cost more to start a factory, a business or a farm in the '60's. There will be a much higher investment per worker in the equipment necessary to multiply his productivity, raise his *real* wages, cut his working hours, increase his leisure and vacation time, and in his own words enable him "to do more of the things I've always

**PRODUCTION** will continue to fan out. Distribution will go the opposite way, selling more lines under a single roof





wanted to do." Our natural resources will be ample, but some will have to be augmented or conserved by increased imports. One more wasteful orgy of expending our natural resources as we did during World War II will make us a "have not" nation for many of them.

No future concern of the business man will be greater than trends and changes in his market. Even the changes of a single year are startling. In 1947, for instance, there were 2,000,000 marriages or new families, 450,000 divorces, 3,910,000 new customers born, and 1,448,000 old customers died. Think what Cupid, the Stork and the Grim Reaper alone will do to your market over the next 12 years! These are but three out of many forces constantly changing its size and nature.

People—the market—are the greatest concern of the business man. He all too often thinks of his market as an abstract, inanimate and unchanging force. It is as real as people, as animated as an ant hill and as changing as fashion.

When 1960 rolls around there will be 10,150,000 more people in this market than today. That is an increase only 2,000,000 short of the entire population of Canada, or more than the combined populations of Norway and Sweden. During the decade of the '60's another 6,000,000 will be added.

Not only will there be more people in your market, but they'll be staying with you longer. They will be buyers for more years. A boy born in 1850 could expect to live 38.3 years. He wasn't a customer very long. In 1960 a boy's life expectancy will be about 68.2 years. He'll be a customer 30 years longer.

The "weaker sex" has a life expectancy at birth about four years greater than the male's.

Even assuming a net immigration of 100,000 per year, the foreign born are a progressively smaller proportion of our population. They made up 13.4 per cent of the population in 1900; 8.7 per cent in 1940. By 1960 the proportion will have dropped to 4.9 per cent.

Both birth rates and death rates are trending downward and the mistake should not be made of assuming that the high birth rates of 1941 to 1947 will continue. The rate reached a high of 25.9 births per 1,000 of population in 1947 after demobilization. The birth rate will probably drop to 22.5 this year. The great "war-baby bonus"—about 5,000,000 more than would have been born normally during the period 1941-47—has ended. By 1950 the rate will have fallen to the 1940 rate of 17.9 and by 1960 will probably be under 17. Then, from about 1962 to 1970, you'll hit a real jackpot in your market! The first of the war-babies will begin to marry in large numbers in 1962. That means many extra families, homes and demands for goods ranging from furnaces and sinks to curtains and automobiles. It also means a new but smaller wave of extra babies—an increase in the market for baby goods.

The rate of increase in the number of families is, and will continue to be, far higher than the rate of population growth. Since families, rather than individuals, are the purchasing and consuming units for most products, the decade of the '60's will offer you a bonanza market. The average size of families on the other hand will decrease slightly.

The new homes of these families will be smaller, with more "gadgets" and labor-saving devices. The age of big houses has passed. Mechanization will not be confined to industry and farms. It will be in homes as well. However, building costs will remain high. Productivity is lower than in 1940, yet wages have doubled. This is the sorriest spot in our industrial scene. Wastes are great and the consumer is the loser. Obsolete building codes combined with abuses and inefficiencies by both labor and management will still be with us. In spite of all these handicaps approximately 14,000,000 new homes (dwelling units) will be built before 1960, and plenty will be built in the new decade if the home building industry goes modern.

We Americans are a mobile, restless lot—always on the move. During the first 150 years of our national existence we moved our factories and our people to the ever growing cities. Now, and for the next 50 or 60 years, we're moving our factories from the big cities and our population from both our cities and our farms to the suburbs or peripheries of the big cities. The proportion of wage earners employed within corporate city boundaries is constantly declining. Factories and assembly plants are

(Continued on page 62)





# When an Ex-President

**W**HEN FINE race horses are too old to run they are put out to pasture, given a straw-upholstered stall, fed Kentucky bluegrass. When overaged cops have handed out their last parking ticket, blown their final whistle, filched their last apple, they are retired and put on a pension.

Old streetcars, too ancient to run, are put up on stilts, outfitted with a kitchen range and given a new career as a diner. But what did anybody ever do for an ex-President?

Although the President of the United States is usually credited with having the toughest job in the world, the job of the ex-President is tougher. In the normal course of events, a man who runs for President is also running to be ex-President, a thought which, in the heat of a political campaign, is usually forgotten. As this is written, four men are competing for the presidency. One can become ex-Presi-

dent at once. If he does, the man who succeeds him can be an ex-President four or eight years from now. The question, "What can an ex-President do?" is difficult enough to tax the most ardent presidential aspirant.

Of the 25 men who have already had a chance to be ex-President, few have been very good at it. The reasons are human enough. It takes an adaptable personality to step from the world's highest place of prominence to what has been called "dignified decrepitude" merely because the chief justice intoned a few words over a Bible. Moreover, an ex-President faces all the duties of a private citizen but

has few of a private citizen's privileges. Even should he want to be forgotten—and few have found that desire irresistible—the public insists on regarding him as a national figure.

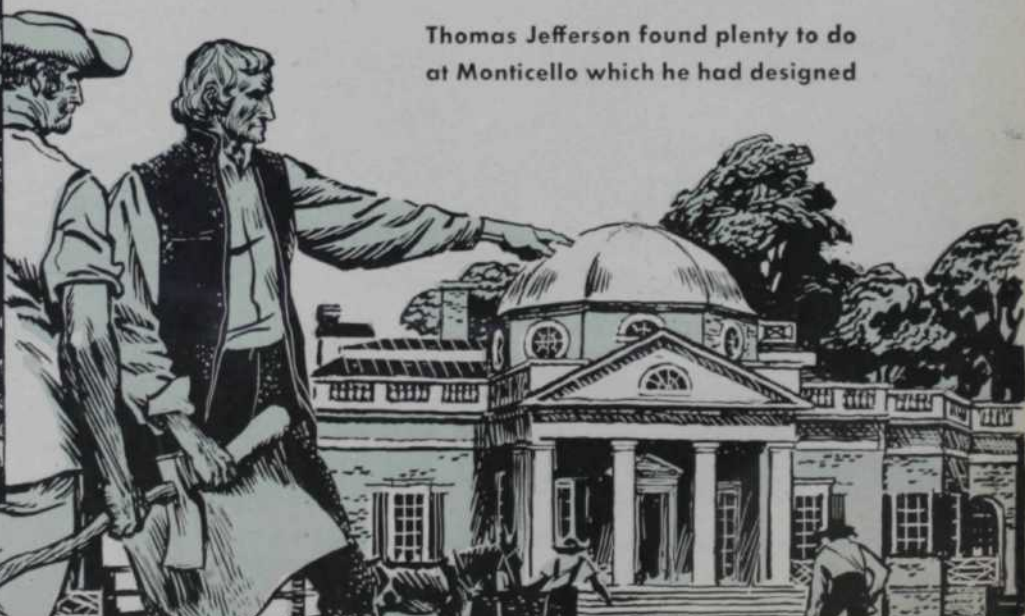
As such, he must maintain a standard of living which meets public expectation and his own inclination. Since few Presidents have been rich men, this is not easy to do out of savings. Nor is it easy to return to an original profession after the years of concentration on politics that usually precede election to the office. But, if the ex-President tries to find new employment he faces the peculiar dilemma that Calvin Coolidge de-



**RUNNING the U. S. is considered a tough job. Being a former first citizen is no bed of roses either**



John Adams returned home, became even more popular



Thomas Jefferson found plenty to do at Monticello which he had designed



# Starts Over

By HORACE SUTTON

scribed wistfully after he did not choose to run.

Many people would have been glad to hire ex-President Coolidge, but nobody offered Calvin Coolidge, the man, employment suitable to his dignity and talents. He ended by writing little pieces for the newspapers.

To ease future ex-Presidents' problems of making a living in a dignified way Congress may soon vote them a pension of \$25,000 a year. Such a proposal is reported to have bipartisan backing and is slated for consideration in 1949.

Some ex-Presidents became practicing lawyers, elder statesmen, college officials. Three went barnstorming in Europe, one went big-game hunting in the African jungles, and another went bankrupt in New York. But for many ex-Presidents the White House threatened to be a regal stop on the way to the poorhouse.

George Washington, in the face

of trouble with France, rejoined the Army and, although he had been commander-in-chief during the Revolution and first President of the country, all he got was a commission as lieutenant general. He even had a difficult time getting President John Adams to appoint Alexander Hamilton as his second-in-command.

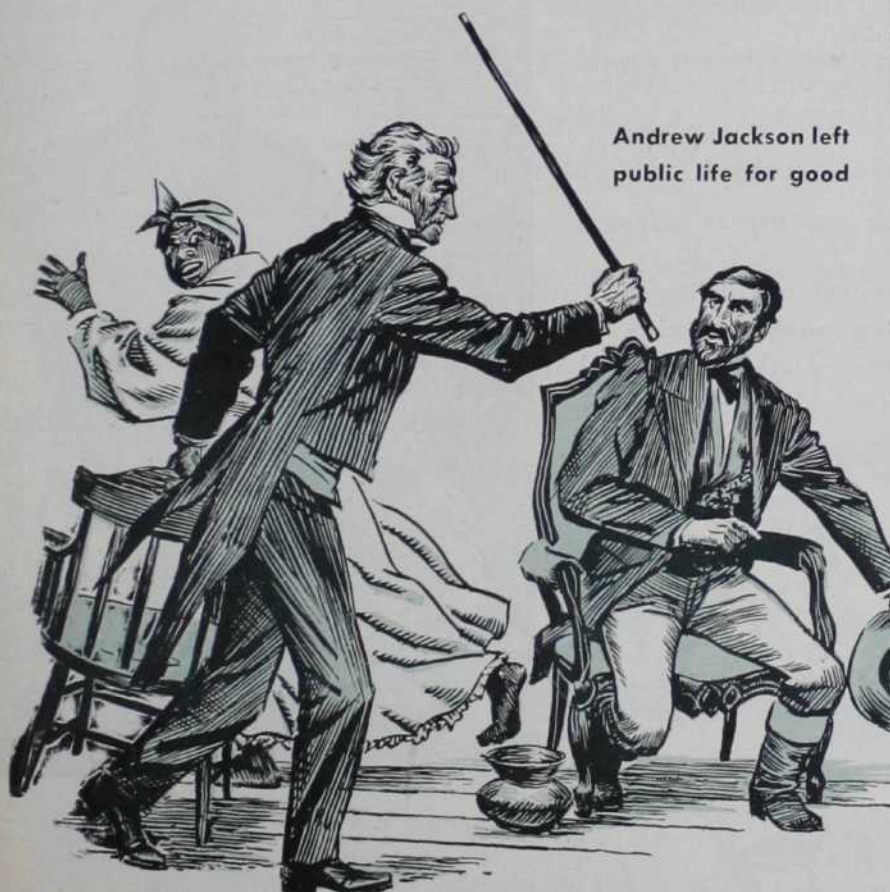
Thomas Jefferson, on the other hand, had to borrow money to pay local shopkeepers for fear some disgruntled partisan might toss him into debtor's prison as he left the White House. His \$25,000 income as President fell \$8,000 short of outgo in a single year.

In seven years of law practice before entering politics, Jefferson had reached an annual income of \$2,500 a year, which permitted him to double his estate and buy 400 slaves, but he did not return to the law after serving as President. He was surgeon enough to sew up a wound, tie an artery or set a broken

leg; mathematician enough to calculate an eclipse. He invented a letter-copying press, a revolving chair, a folding chair, a hemp machine, a pedometer to measure his walks, a plow that won a gold medal at a French exhibition, and a light, two-wheeled vehicle for Virginia's heavy roads. He knew Latin, Greek, French, Italian, Spanish and German. He wrote three books and his own edition of the Bible.

As an architect, he designed his home and the buildings for the University of Virginia, which he founded. He supervised the construction on the spot or through a spyglass from the eminence of Monticello. As an elder-statesman he gave advice to his successors, who sought it often. But he was \$20,000 in debt until he sold his library to Congress, and the public raised and turned over to him \$16,500.

After stepping down from the



Andrew Jackson left public life for good



Ulysses Grant wrote his memoirs; but he died practically penniless



presidency, James Madison, a scholar and profound thinker, lived for 20 years in genteel poverty at Montpelier, 30 miles from Monticello. Since his father had supported him until he was 50 years old, he had no profession. After his death his estate went to pieces. Congress helped by buying his papers, but glamorous Dolly Madison spent her final years in Washington, grateful for an occasional market basket from her friend Daniel Webster, and sporadic aid from others. It was only a year before her death that Congress appropriated \$25,000 for her care.

James Monroe left the White House with nothing to reward him for 49 years of public service except a bullet in the shoulder. He had been wounded at the battle of Trenton, one of two Americans to share that distinction. Having left college to fight in the Revolution, he had no profession except politics. Congress voted him \$30,000 on which he lived the seven years between his retirement and his death.

The average life of a President after he leaves office is about ten years, but John Adams lived the longest—a quarter of a century. During his post-presidential years he returned to Massachusetts, wrote a lively series of letters to the *Boston Patriot*, which was later incorporated into a book. He nurtured the political career of his son John Quincy Adams and was received with honors at the State Constitutional Convention of 1820. His popularity rose far beyond what it had been during his presi-

dency and Quincy—his home—became something of a shrine. He lived to see his son inaugurated as President.

He died at 90, the same day as Jefferson, on July 4, 1826.

### Sent to Congress

JOHN QUINCY ADAMS lost out for a second term and returned to a mortgaged home smarting under defeat. He was ready to bury himself in reading and writing, but in March, 1831, he was elected to the Twenty-Second Congress. He proved a firebrand on the floor, especially on the slavery question. He supported the cause of the Negroes aboard the *Creole* who had overpowered the crew, and he defended the members of the slave cargo who had wrested control of their ship from the Spanish owners only to be recaptured by an American naval vessel. Over a period of 17 years Adams was returned to Congress. His excellent memory, his experience and his personal diary proved such tremendous aids to the legislature, it was suggested that retiring Presidents be given honorary seats in Congress.

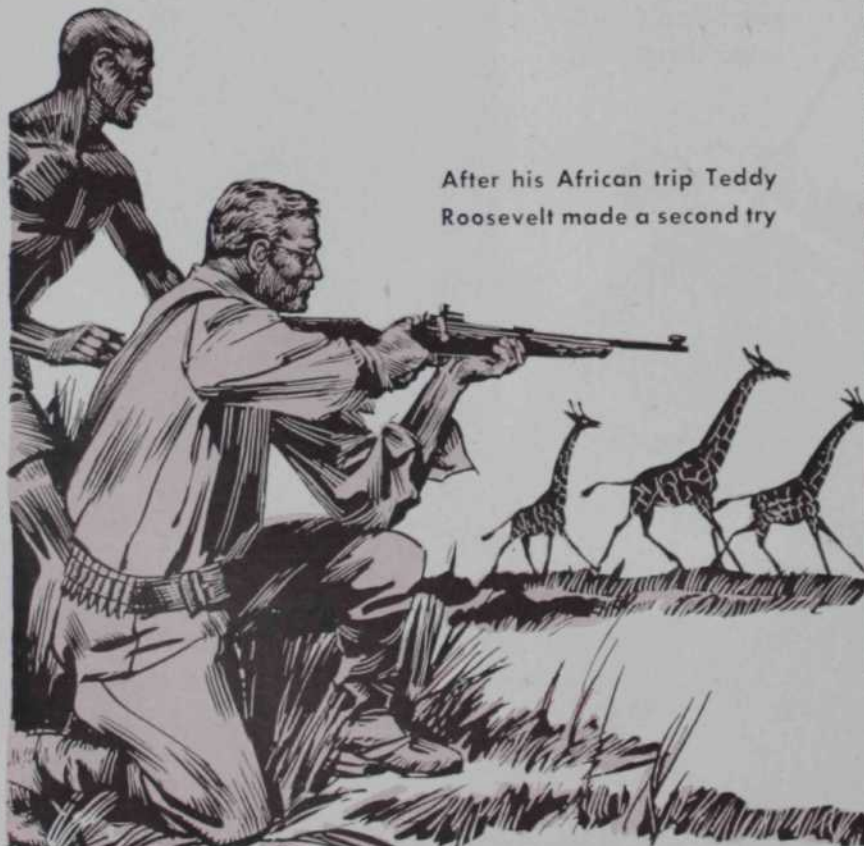
Election to the Senate after his presidential term proved a vindication for Andrew Johnson, the only President who was ever impeached. He ran for Congress three times after returning to Tennessee, and was finally elected on the third try—13 years after he had left the legislature to become chief execu-

tive. He denounced Ulysses S. Grant's aspirations for a third term and by comparison with the turbulent Grant administration, Johnson's regime lost some of the disfavor it had engendered. But a few months after taking his seat in Congress, he was buried on a Tennessee hill which is today a national cemetery. The Andrew Johnson Highway swings past it and past the tailor shop where his wife taught him to read.

Those Presidents who had their fill of politics usually returned home to write, and promote education. Many became best-selling authors. After his defeat by Grover Cleveland, Benjamin Harrison went back to Indianapolis to tell all in a volume called "Views of an Ex-President." Then, like any ex-home-run king, ex-matinee idol or ex-war hero, he wrote a famous series of articles on the intimate life of a President, which appeared in the *Ladies' Home Journal*. The articles were combined into a book called, "This Country of Ours," which was a national best-seller. Grant's "Personal Memoirs" made \$500,000 for his heirs, but he died virtually destitute.

Millard Fillmore, Rutherford B. Hayes and William Howard Taft—like Jefferson—all promoted the cause of learning.

(Continued on page 78)



After his African trip Teddy Roosevelt made a second try



Herbert Hoover heads the commission that is probing government efficiency



# Rough Selling for the Navy

By WILLIAM BRADFORD HUIE

**S**INCE DIRECT military expenditures now constitute almost half the national budget, any new administration which aspires to reduce the cost of government must study the military establishment. Army, Navy and Air Force spending for fiscal 1949 will exceed \$15,000,000,000; the figure anticipated for 1951 is \$20,000,000,000. Add to this the "irreducible items" like \$5,000,000,000 for debt service and \$7,000,000,000 for veterans and it becomes apparent that more defense must be bought for fewer dollars if the peacetime budget is to be balanced.

The salesmen—the budget justifiers—for all three services are likely to meet more sales resistance in the next Congress than they have met in ten years. Particularly does this seem likely for the Navy. The Eightieth Congress established the Air Force as the new "first line of defense." By near unanimous vote in both houses it overrode Defense Secretary James V. Forrestal to approve the 70 group air program and thus establish the Air Force as at least a \$6,000,000,000 a year agency. The Air Force has been assigned the strategic role of delivering the atomic bombs; therefore it claims first call on our defense appropriations. The Army in 1949 will have both the draft and foreign commitments to help justify its request for \$6,000,000,000. So the Navy salesmen, heretofore the most successful of the service advocates, are expected to meet the stiffest sort of head winds when they seek their \$6,000,000,000.

The Navy's role in a possible third world war has yet to be clarified. There is disagreement within the service itself; and wherever the Navy has turned for new justifications it has met vigorous jurisdictional objection from the Air Force. So the next administration can hardly avoid a showdown with the Navy advocates; and since in this country such arguments must ultimately be resolved by the civilian taxpayer, there is need for a broad understanding of the Navy problem.

The word "Navy" itself now requires explanation. Every American once knew what the Navy was: it was our collection of warships. But no more. The



**THE admirals say we should have a big carrier-based air armada. The Air Force takes the opposite stand on this question of vital importance**

service now, by its own doctrine, is primarily an air force. Airplanes are its striking element; the ships only serve the air. The days when big surface ships fired guns at one another are past. The Japanese war and merchant fleets were not sunk by our surface ships but by our airplanes and submarines. The fighting formation of the Navy now is the task force, and a task force is no more than an air force with a maneuverable base.

Navy budget experts agree up to 75 per cent of the total cost of the Navy is now fairly chargeable to air. The primary purpose of every surface ship larger than a subchaser is to protect the maneuverable air base. So the Navy is not primarily a collection of warships; it's a collection of airplanes and their floating bases.

As a matter of fact, we are now buying more airplanes for the Navy air force than we are buying for the Air Force air force. When the rearmament program nears completion in 1951, our Air Force will be operating 10,600 new airplanes, and our Navy will be operating 14,000 new planes.

The jurisdictional conflict between the Navy and the Air Force is not a conflict between

a fleet and an air force but between two great air forces. And in this conflict the Navy air force is, by its nature, at some disadvantage.

The Navy air force is designed primarily to sink ships. The Navy bombers are torpedo bombers and dive bombers with an effective range of about 200 miles. They are the world's best for sinking ships—either war or merchant—and for supporting a landing on a beach. But they are not designed to attack enemy cities or enemy industries; they are too small to handle an atom bomb; they are only the striking element of a highly efficient tactical air force.

But in any possible war what "role" is there for a vast carrier-based tactical air force? This is the big question for the Navy salesmen. War has become so expensive that a wise nation now must purchase only those weapons which can most damage the enemy. No country that we are likely to fight has





SIGNAL CORPS PHOTO

If war comes many units of the Navy will likely be used again to support landing operations

Whether there will be a role for the Navy's carrier-based air force is still a torrid question

U. S. NAVY PHOTO





a surface fleet or an important merchant fleet; so where are the potential targets for Navy torpedo bombers and dive bombers? Although Russia has a dangerous submarine fleet, this provides little help for our Navy salesmen because submarines are hunted with little "jeep" carriers which we have in mothballs by the score.

How then can we employ against a new enemy the great naval striking forces which were used so dramatically against Japan? To support island landings? All the important islands in the world are ours already, and nobody could exploit islands against us because nobody has a fleet with which to supply them. To support landings? Carrier aviation was not employed in the great landings against Germany. The only contribution which the Navy air force made against Germany was its effort against submarines.

The second fighting element of the Navy is the submarine fleet. We have the largest, probably the most efficient submarine fleet in the world; and against Japan it sank hundreds of ships, made a tremendous contribution to victory. But against Germany, a continental power, our submarines sank not one ship. We didn't employ *one* submarine against Germany. In a new war how could we employ our hundreds of submarines and our thousands of skillful submariners?

In short, against any possible enemy what reasonable role is there for our Navy except the brave, vital, traditional, but "secondary" role of safeguarding the sea lanes and delivering the goods and the troops to the beaches?

It is said in jest in Washington that the United States Navy murdered its best salesman. Our modern Navy was created against the Yellow Peril. The Japs were the star salesmen. Every time the Japs laid down a new warship, our Navy salesmen could rush to Congress and obtain authorization for a bigger ship. But in the course of the war the Navy airmen and submariners eliminated the last enemy seapower and thereby fought the Navy out of a "strategic" job.

The present world situation is cooperating beautifully with our Army and Air Force salesmen, but the Yellow Peril was kinder to our Navy.

The able and sincere men who command the United States Navy know, of course, all these weaknesses of their sales position. They know that an Air Force B-29 dropped a big bomb at Hiroshima. But being vigorously human and vigorously Navy-minded—and remembering the glorious "Navy shows" of the second world war—they won't easily accept a "supporting role" or an "inferior command position" or, worst of all, an "inferior appropriations position" in a third world war.

The Navy command knows there is only one hope for keeping the Navy abreast of the Air Force: they must find a "strategic role" for Navy air; they must give the Navy a strategic air force as well as a tactical one; they must have big, long-range bombers and the atomic bomb; they must qualify the Navy, too, for dropping atom bombs. And they must get the public to "buy" this whole package.

The plan for employing Navy airplanes to atomize enemy industry was drawn by Rear Admiral Daniel Vincent Gallery, Jr., Annapolis '20. The "Gallery plan" calls for the construction of at least six super-supercarriers large enough to launch a "Navy version" of the B-29. These vast carriers, ranging up to 100,000 tons, costing \$300,000,000 each, more than twice the size of anything now afloat, would be escorted into "strategic positions" at the approach

of war. One of them might appear off Kamchatka, another in the Mediterranean, another in some spacious Norwegian fjord, etc. Then, when the button was pushed, the United States Navy, still the first line of defense, would strike the first atomic blows at the enemy.

The Air Force scoffed at the Gallery plan. Why risk billions on "strategic carriers" when we already have a ring of great air bases? Instead of taking off from vulnerable "strategic carriers" in Norwegian fjords, in the Mediterranean, and off Kamchatka, why not take off from secure ground bases in Iceland, England, Spain, North Africa, Arabia, Okinawa, Japan or Alaska? And wasn't "strategic air" the primary province of the Air Force? Why should land targets be "naval" objectives?

This is the conflict which has raged throughout 1948. Secretary Forrestal attempted to settle it in May at the Key West conference. He offered the "balanced force" compromise which, in effect, was an agreement to split the war appropriation equally among the three services. The Air Force wouldn't accept the compromise, and Gen. Carl Spaatz resigned as Air Force chief of staff. When the fight went before Congress, the Navy opposed the 70 group Air Force program and the Air Force opposed the strategic carriers. Congress avoided a decision by authorizing both the 70 group Air Force and construction of the first of the strategic carriers. Secretary Forrestal then convened the Newport conference in August, and this conference apparently ruled in favor of the Air Force. It ordered the Navy to clear its strategic air plans with the Air Force; but it reserved to the joint chiefs of staff the right

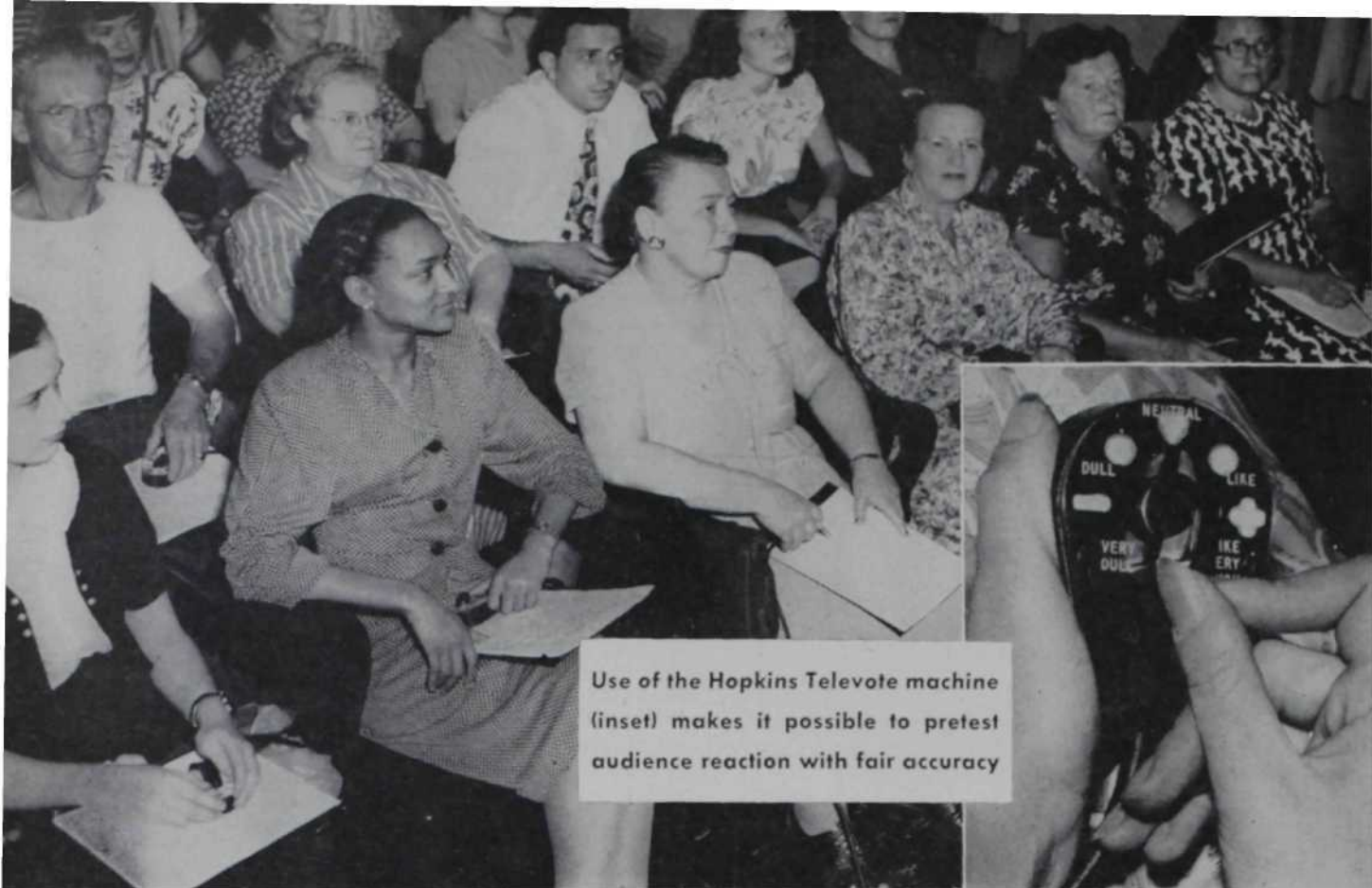
(Continued on page 74)

## ... the same goes for its undersea fleet



U. S. NAVY PHOTO





Use of the Hopkins Televote machine (inset) makes it possible to pretest audience reaction with fair accuracy

# They Know What



A movie interviewer plays a big part in determining entertainment preferences

**I**F YOU GO to the movies at least once every three weeks, aren't confined to a penitentiary or other institution, aren't blind or deaf, aged or infirm or under 12 years old, you're a member of the great American movie audience of 65,000,000 that has its pulse taken weekly. This is done by a set of poll-takers who sound you out in much the same way as do those who find you would not vote for Dewey if he were the last man on earth or think the Truman foreign policy smells to high heaven.

They could have told you two years ago that you'd make "The Best Years of Our Lives" one of the biggest box office attractions in movie history. They know that if you're a city dweller, you helped kick over the dope bucket and set up "The Jolson Story" as the gold-plated hit of 1947. Big city people know and like Jolson best. Or, if you're a country cousin, that you helped make Red Skelton's "Fuller Brush Man" into a big thing, because you are acquainted with Fuller Brush men personally.

If you're a man you like westerns, mysteries and adventure stories. You like Boris Karloff twice as much as your wife does and you don't care half as much for Joan Fontaine, although you don't go around throwing rocks at the girl. If you're a woman you like stories about love, home and parenthood. You don't go for stories of over-aggressive women; you'd rather see a movie about the clinging type—and a strong man. You like Guy Madison three times



as well as your husband does and you can't see why he goes overboard about Jimmy Durante. And incidentally, when it comes to deciding what picture the family is going to see, you're the one that has the most say.

These and a thousand other intimate little facts of life about you and me and all the other moviegoers are the stock in trade of a public pulse-taking organization often known as "Gallup's other poll." It is conducted by the same George Gallup who is more widely known for his sounding out of the public on politics and issues of current interest through an organization formally known as the American Institute of Public Opinion. An offspring of the Institute, known as Audience Research, Inc., has for the past ten years been working out ways of measuring in advance the fun people get out of the movies. Recently it has been applying the same tools to network radio shows and books. So useful has it made itself that Audience Research has recently grown bigger than the parent organization and has become the tail that wags the dog.

Gallup says he can make advance measurements of a film's potential audience which have proved amazingly accurate. One client checked back on the Audience Research figures and discovered that Gallup's estimates pointed to a gross of \$28,495,000. The pictures actually grossed \$27,895,000. This kind of gazing into the crystal ball gives the producer a clear idea of what the public will go for, Gallup points out, and allows him to put his chips down on the good films and pull his horns in on the duds.

But not only does Audience Research forecast the success of a film that has already been put together;

it can pretest the film story itself, as well as the cast or the title, and recommend improvements in any or all of them. Such a streamlined and custom-built model will ring up a higher gross in bookings.

Some people throw up their hands in horror at the whole thing and predict darkly that such catering to mass tastes will pull all the movies down to a common level of mediocrity. Gallup hits out hard at this one.

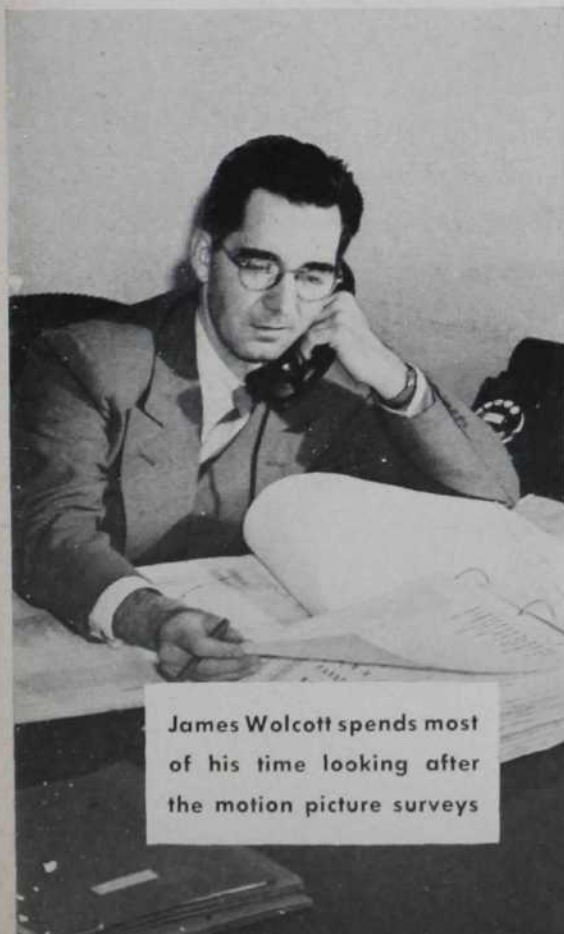
"It's just the other way around," he says. "Unless a producer knows in advance what a picture will net him, he can't afford to go out on a limb—not with costs the way they are today. But we can test the picture in advance without any great investment, and this allows the producer to come out with new things that he wouldn't be able to risk otherwise. For instance, surveys indicating that 'Crossfire' would go over with the public in a big way enabled RKO to shoot the works and make the picture a big box office success."

Audience Research was started in 1938, after the Institute made its sensational success in the elections of 1936. Gallup's business up to then, as head of the research department of Young & Rubicam, had been to poll the public on its tastes in toothpaste and breakfast foods, and he was looking for new fields in which to apply his know-how. He decided to try the movies and sold the idea to RKO. There were some rocky days at first; then he picked up Disney, Selznick and Columbia. Present clients also include Goldwyn and Universal.

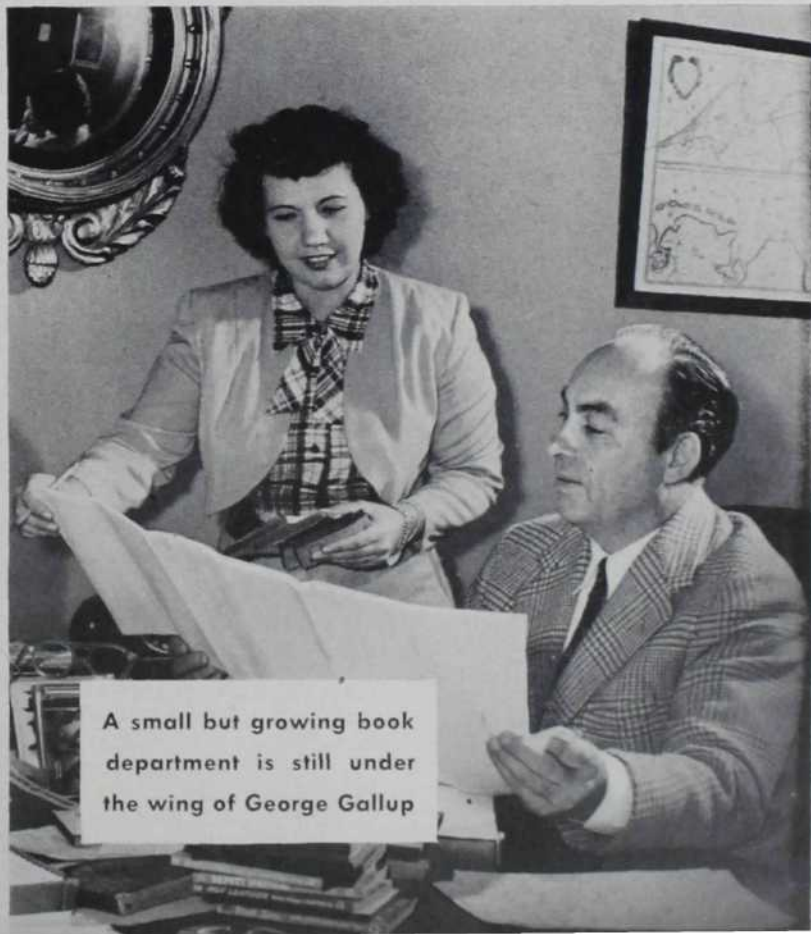
Last year Gallup left Young & Rubicam and moved to Princeton, N. J., to run his two companies. Together they have an operating budget of \$750,000

# You Like

By PHIL GUSTAFSON



James Wolcott spends most of his time looking after the motion picture surveys



A small but growing book department is still under the wing of George Gallup



a year and employ 1,650 people, a large share of them interviewers in the field. Gallup, at 46, looks like a well-fed, easy-going professor of agriculture from Iowa, where indeed he was born and got his start. He likes to talk and usually holds the rapt attention of his listeners while he casually picks a subject apart to see what makes it tick. He is so absent-minded that when he goes out on an appointment his secretary hands him a card with all the details about who, when and where.

"He's got about 40 wheels spinning all the time," she moans fondly, "and he keeps going around giving each of them a slight push. You feel you'll scream if he starts another."

The actual running of Audience Research is in charge of a small, dark and incessantly active young man named James Wolcott, vice president and general manager, who spends most of his time looking after the movie surveys. Samuel Northcross, another youthful and serious-minded vice president, does the measuring in radio. The small but growing book survey department is still under the personal wing of Gallup.

Audience Research has about 400 interviewers scattered around the country, about 200 of them active constantly. They interview between 4,000 and 5,000 people a week in several hundred communities—mostly in cities over 10,000—to learn their preference in entertainment. They work according to generally accepted practices for selecting a sample cross section of the audience in such a way that it reflects the preferences of the whole. The interviewers use specially prepared questionnaires made up and sent out to them weekly, and never talk to the same people twice.

"In our business, just as in any other kind of market research," Wolcott explains, "the first job is to size up the potential market. After that, of course, we try to increase it by improving the product and by making just the right appeal to the right customer."

In evaluating the market for the movies, Audi-

ence Research has spent ten years and \$1,600,000. Its experts break down the audience according to sex, age, income, education, religion, occupation, size and location of city, and find out what each group is looking for. They also pick up a variety of general information. They find, for example, that people over 30 buy only 39 per cent of the tickets. Yet these people make up 62 per cent of the potential audience. Thus the older people are the big untapped market.

For another thing, the audience surveys have surprised everybody by showing that the movie audience is about equally divided between men and women. It used to be thought that the majority of the movie fans were women.

### Ratings of the stars

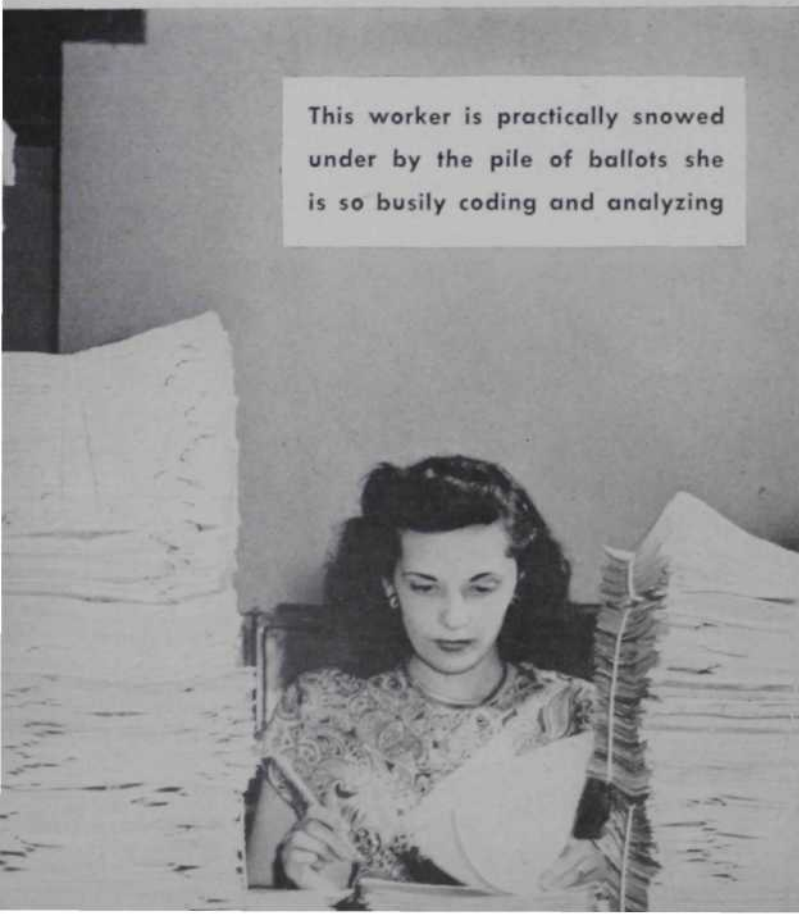
AUDIENCE RESEARCH uses its groupings of moviegoers in a variety of ways. For one thing, the company runs a continuous audit of the box office pulling power of stars. At a moment's notice Wolcott can yank out of his files an index figure which he says indicates just how the name of any star will react on the movie-goers when they see it on the marquee of a theater. As a matter of fact this is the basis on which the test is conducted. The poll-takers hand the movie-goer a list of stars and ask him:

"Which of these names, if you saw it on the theater, would make you want to buy a ticket?"

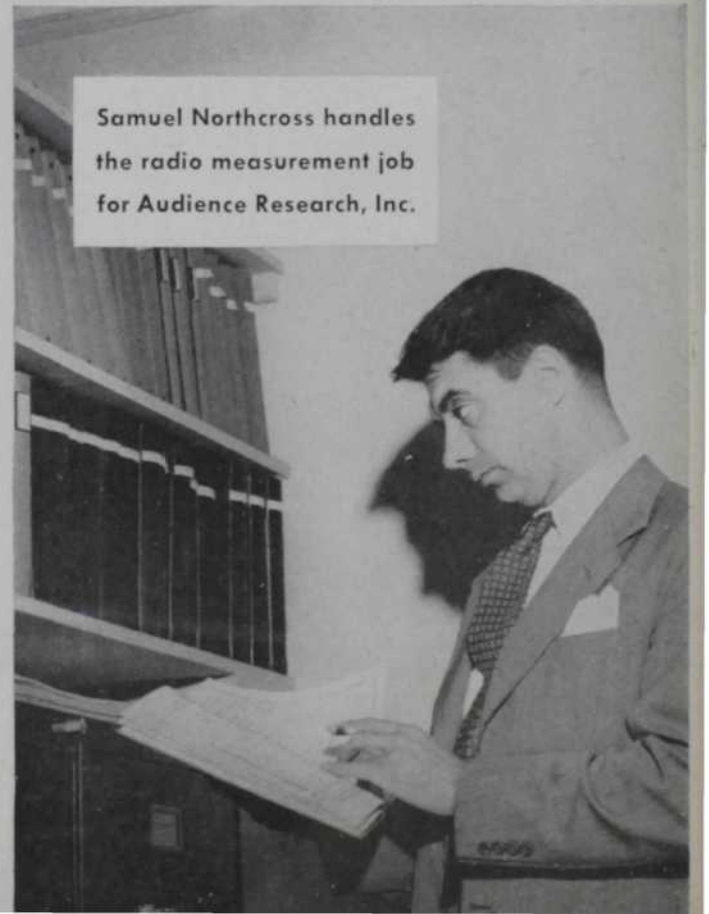
In this way they find out just how a star goes over with the various segments of the audience. They learn that Ingrid Bergman, for example, has a rating of 62 per cent with the older women but chalks up only 38 with young men. She scores only 46 in cities under 10,000 but rolls up a 59 in cities over 500,000.

To illustrate just how Audience Research tests a moving picture, let's take Goldwyn's "The Best Years of Our Lives" as a sample and run through some of the different tests.

(Continued on page 80)



This worker is practically snowed under by the pile of ballots she is so busily coding and analyzing



Samuel Northcross handles the radio measurement job for Audience Research, Inc.



It's still a puzzle why one twin stayed honest while the other became a gunman



# Ah, Sweet Mystery of Strife

By HERBERT COREY

**J**IMMY LEECH was tall, dark and handsome. He could make love in three languages, dance like Fred Astaire, sing ballads and Frankies and Johnnies. And he would have married into one of Chicago's better social circles except that a stranger shot him three times through the heart.

These are facts from Chicago's police archives, although the name has been changed.

Outwardly Jimmy and his twin brother, John, were as alike as black snakes, but on the inside they hardly belonged to the same nation. Jimmy was one of Al Capone's finest. John was a mining engineer, a devoted husband and father, and was making regular payments on a small house.

Their father was a professional man in good standing; their mother was intelligent and kind. The boys were taught by the same teachers, had the same friends, played the same games and were as

**IF SCIENTISTS unravel the age-old problem of why Man acts as he does, we may be able to prevent future world conflicts**

inseparable as twins are usually supposed to be. When Jimmy walked out on his second year at college his friends were surprised and dismayed.

What went wrong with which twin and why?

Like Oedipus, who won the kingdom of Thebes for answering the riddle of the Sphinx, the person who solves the riddle of the Leech boys will win the keys to a vast new world in which we may find the answer to the age-old problem of why Man acts as he does. With this as a starter, we may be able to come up with answers that will prevent future world wars; enable men and women to select careers scientifi-

cally, instead of hit or miss as now; encourage us to tear down our jails and give cops candy bars instead of night sticks and pistols.

Yale faculty members had something like this in mind 20 odd years ago when they began to discuss more or less informally the cock-eyed things that people do. One son becomes a solid citizen; the other shoots his father through the head. One family is fine. Its opposite number runs to super-Jukejes and occasional geniuses. Little Mary makes her baby brother pull her in her little cart. He pulls uncomplainingly—the slave of the kindergarten. If the teacher tries to redress this wrong,



it is Baby Brother who kicks her in the shins.

"There should be brains enough around this place to get some of the answers," the Yale men said quite informally. "Let's get at it."

Out of these discussions emerged Yale University's Institute of Human Relations, for which the Rockefeller Foundation put up the money.

The aim of the Institute, as stated by Dr. Mark A. May, its director, is "to help establish a basic science of human behavior. We believe that one of the reasons why man has a much better understanding and control of the physical forces of nature than he has of his own behavior is primarily that the basic sciences of physics and chemistry are much more highly developed than the basic behavioral sciences of psychology, anthropology and sociology."

To put the question more simply: "Are there laws governing our antics?"

May thinks that at least a few clues have been discovered. In its search for evidence, the Institute sent a hardy young scientist to study a tribe of stark naked savages in one of the South American jungles. These savages have no sex inhibitions at all. If little Algernon fell in love, so to say, with his grandma, he would not hesitate about giving her the good news. She might go as coy as possible under the circumstances. She

might rebuff him with a club. Who knows?

The uninhibited little amorists came pretty near killing our scientist a time or two. Possibly because he was all dressed up. However, he returned with the conviction that love is not the greatest force in life, even if Freud did conclude that our subconscious is full of kittens. He theorized that Freud was working on a lot of fat Viennese mammas who lived on cream and other heating foods in warm houses and who got tired of seeing the same bald-headed little guys taking bicarb after meals. It was only natural that they got to dreaming about the husky young fellows they saw trotting around the park.

### Need governs subconscious

THE scientist's theory is that our subconscious is ruled by our greatest need and not by that subliminal sexual urge that Freud maintained keeps us hot and bothered. What worried these unbreeched playmates of the jungle was the fear of hunger. So it may be a fair conclusion that all of us are moved by our needs rather than by our wants.

This may be an amplification of the Freudian theory or it may be a distant view of a new law of behavior.

For the most part, the industrious toilers who put us through the screen are addicted to micro-

scopes. They examine us individually against our social and economic backgrounds. This enables them to reason out pretty closely why certain things have happened. Take the case of the ten-pound baby born in a miner's hut. His father, a literate Welshman who believed with equal fervor in God and the rights of man, was blacklisted by the mine owners. His family went hungry. When that ten-pound baby reached manhood he, too, was blacklisted—for no better reason than that he was the son of his father.

It is not hard now to follow John L. Lewis' progress through many a battle, nor the rise of the United Mine Workers. Philip Murray of the CIO has a somewhat similar background.

But thousands of boy babies were born at the same time, read the Bible and Shakespeare by lamp light, and were pick and shovel men to the end of their days. What was the difference between the winners and the rank and file which can be taken as a clue to a law of nature? There were thousands of good mechanics and only one Henry Ford.

The son of a sodden civil servant and a dull-witted hausfrau was laughed at by his companions. But Adolf Hitler upset the world. Anyone might have predicted that Lenin and Trotsky, descendants of three generations of fighters

(Continued on page 83)



The actions of tots are clocked as though the kids were race horses





Lex Thompson (left) went for midget racing, but thousands stayed away

# It Can't Be Anything But Love

By STANLEY FRANK

**F**OR A young fellow with one dollar in the bank for every inhabitant of Chicago, Alexis Thompson has a rather quaint concept of fun. He is fond of riding bobsleds off mountains into soft, fleecy cloud banks. This would be an exhilarating experience, no doubt, if the earth were as porous as the clouds. It isn't, as Thompson discovered on three occasions. Since he hardly can wait for the first snowfall to befoul himself in like fashion again, it is plain that he is straining even a Yale man's vast capacity for foolishness. Instead of denying the harsh impeachment, Thompson voluntarily offers additional proof that he neglected to collect all his wits after a losing joust with the law of gravity.

"I bought a professional football team," he says morosely. "I'm not stuck on football. Hockey is my game. I went into football to make money. Stick to that, and leave bobsledding out of it, if you're trying to show I'm crazy."

Thompson's hair-shirt is the Philadelphia Eagles of the National Football League. Last year the Eagles, in winning the Eastern championship for the first time, cut themselves a handsome piece of the sports boom, averaging 31,371 customers, or 90 per cent of Shibe Park's seating capacity, for seven home games. The total



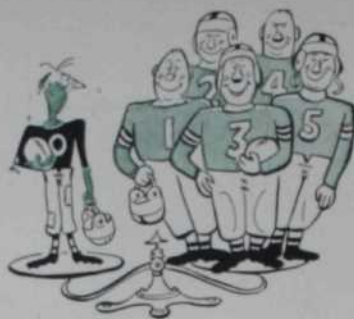
Bill Veeck, young Cleveland president (right), gets some advice from Clark Griffith and Connie Mack





income from admissions and other sources—radio and television rights, advertising space in programs—added up to \$516,497. It was, by far, the most successful season the team ever had—and Thompson lost \$53,000.

Although Thompson admits he and his associates invented new methods for squandering money, he insists the Eagles in 1946 were operated on a strictly businesslike basis. On an income of \$476,077 two years ago Thompson, who holds 90 per cent of the stock, cleared a profit of \$15,898, or about three and a half per cent of the gross. If business men could anticipate a margin of profit no greater than three and a half per cent in lush times, every factory in Amer-



makers through the years. Yet you don't see anyone trying to unload his franchise. To repeat: Why do owners continue to horse around with a risky deal that, at best, pays off in nickels and dimes?

"It must be love," Thompson answers. "I don't know what else could make reasonably bright guys

Friends tried to tell him that the doodlebugs never would go in New York; they reminded him that a syndicate had suffered horrible contusions a decade ago staging two races with full-size, honest-to-George cars at Roosevelt Raceways. Thompson refused to listen and built himself a portable track at a cost of \$225,000 and spent the equivalent of a good month's pay advertising the hippodrome. Hundreds of thousands of customers stayed away. Even if the thing had drawn up to Thompson's fondest expectations, he would have lost money. The cost of union labor for assembling and dismantling the huge track was so prohibitive that Thompson packed up and moved the entire shebang to California



Anthony Morabito of San Francisco (left) and Jim Francisco (left) and Jim

Francisco (left) and Jim Francisco (left) and Jim

Dan Topping, tin plate heir, and Branch Rickey of Dodger fame air their woes

ica would have been reclaimed by the forest long ago and all of us would be bartering goods and services today.

Comes a pertinent question: Why do people buy pro football teams in the first place? Thompson's headaches are typical rather than exceptional. Eight of the ten owners in the National League are successful, hardheaded business men who demonstrated their affection for a dollar long before they went off the deep end for football. They are not in the habit of throwing away money or staying with a venture that has more gimmicks in it than a perpetual motion machine. Only four teams—the Giants, Redskins, Bears and Packers—have been consistent money-

so blind to the basic fallacies in the game from a pure business viewpoint. Before a man invests in a proposition, he should get an approximate estimate of the gross and net income. It's impossible to draw up such figures in football because of the weather. You run into a bad spell and it takes you five good years to make up the losses of one bad season."

Some folks never learn, though—least of all our man Thompson. Several months ago he was struck by a particularly violent brainstorm, the promotion of midget auto races in the Polo Grounds in New York.

in the hope of reducing his losses. Dan Topping, part-owner of the New York football and baseball Yankees, also went for a large bundle of cash promoting midget auto races in London, of all places, despite the promotional efforts of his newly acquired sister-in-law, Lana

Turner, who graciously included London in her honeymoon itinerary.

It is obvious that Thompson, who went into the hole for \$120,000 in the first three years on football alone before he had a remote chance of breaking even, would have been bet-





ter off had he put his money into a non-interest-bearing sugar bowl. He could have devoted more attention to his half dozen other enterprises—including the second largest selling eye lotion on the market—which, in relation to financial return, involve far less time and trouble than football. He would not have had to brood over the funny bounces a football takes or worry about the effect of the weather on (a) the gate, (b) the players.

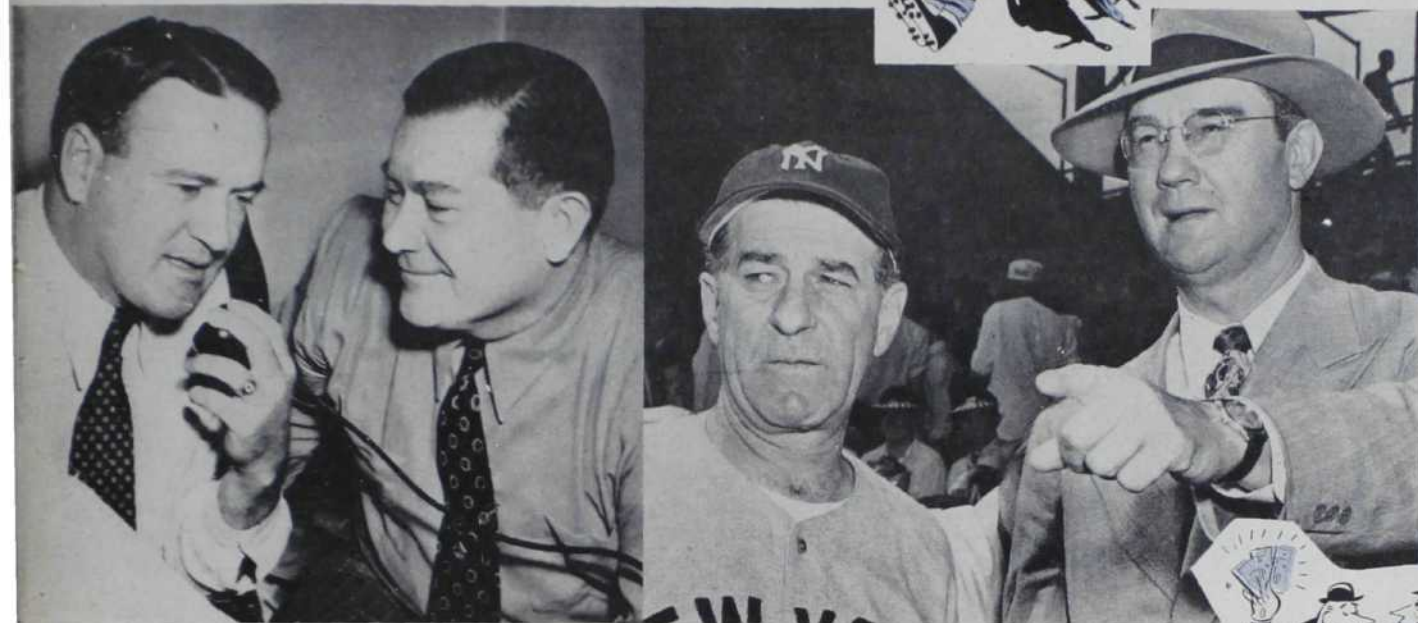
Rain or snow on a big Sunday can turn a profitable season into a blob of red ink. The uncontrollable weather also exerts a profound influence on the athletes, whose erratic behavior can be attributed only to mistrals, simooms and other mysterious meteorological

three times a day as though there would be no tomorrow; among other things, the 50 players on Thompson's cuff daily consumed 100 quarts of milk and one cow shorn of hoofs, hair and tail. It cost \$78,614 to build a training camp at Saranac Lake in the Adirondacks and another \$12,058 to equip it. The management was—and still is—expected to find jobs, apartments and cars for the players, arbitrate marital difficulties, soothe over babies and intercept trigger-happy relatives of wayward females.

This tearful recital will leave skeptics cold. They will demand to know at this point how the pros, who have been drawing

that they must go broke and near ruin us along with them. I'll lay it on the line for you. In 1944, when the manpower shortage already had hiked salaries 100 per cent over the prewar level, the Eagles' payroll for coaches and players was \$86,000. In 1947 my payroll was \$253,000. Play around with those figures for a while and you'll see where all the money is going. Right into the players' pants pockets."

An arena crowded at an average of \$2 a head looks fine on paper, but after the gross gate has gone through the wringer of fixed charges, it has shrunk more than



Tom Yawkey (right) has spent 15 years and \$4,000,000 trying to give Boston a winner

Del Webb, with the aid of Bucky Harris, did well with baseball. Football is another story



phenomena that have been known to make men blow their tops.

It didn't take Thompson long to discover he was in a unique rat-race after he bought the Eagles in 1941. He spent \$10,000 for new players and never had the pleasure of shaking hands with three. They suddenly decided they had no interest in football. The help ate

crowds that even a press agent would not have dared to predict a decade ago, can possibly suffer a bad season. Last year the ten National League teams attracted 2,626,198 customers in scheduled games and exhibitions, an increase of more than 20 per cent in two years. Since 1941, attendance has more than doubled. Why, then, all the moaning?

Thompson smiles dourly. "You talk just like a schoolboy who knows only what he reads in the papers. Maybe you haven't heard of the eight new chumps who are in love with football, too."

How's that again?

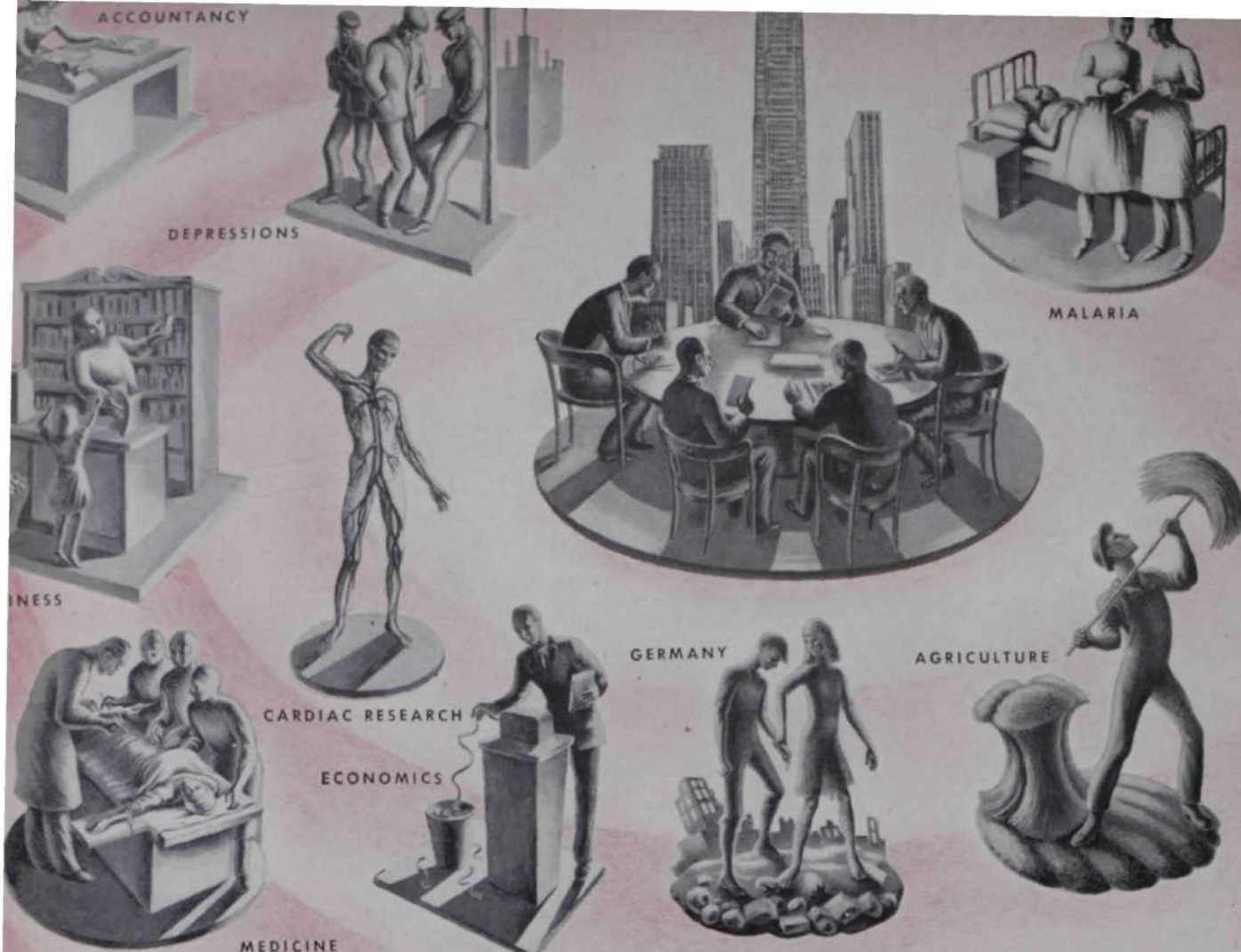
"The All America Conference. By bidding against us for players, they've boosted salaries so high

a dollar-fifty shirt. Twenty per cent comes off the top immediately for the Ides of Internal Revenue. Since Green Bay is the only team that owns its home field, the other members must pay 15 per cent of the gate, after taxes, to major league baseball clubs for rental. Another four per cent is earmarked to defray league administrative expenses and salaries of game officials.

By the time the owners get around to cutting up the loot, the home team's share of the net is about half and the visiting club's one third. The visitors get a guarantee of \$10,000 or 40 per cent of the

(Continued on page 66)





# How Science Aids the

By JOHN T. WINTERICH

**T**HE LITTLE GIRL—she was two years old—was brought to Children's Hospital in Boston, apparently in the last stages of encephalitis. It is not a pleasant ailment. The brain swells, pressing against the cavity of the skull. Surgery alone can help, and surgery is a last resort, since a portion of the skull must be cut out to ease the pressure. True, the brain itself is encased in a tight-fitting protective sac—the dura mater—but the dura mater was not devised to withstand the strain which encephalitis puts upon it.

A portion of the child's skull was sawed out, and the punctured dura mater replaced by fibrin film. The swelling abated, the fever subsided, the section of skull was fitted back. That was five years ago. Today the patient is in the first grade.

She owes her life to one of the

by-products of a series of experiments in certain "little-developed aspects of physical chemistry fundamental for the understanding of biological states and processes." That heavy-handed quotation is from a project-summary requiring funds which was laid before the Medical Sciences Division of the Rockefeller Foundation in the spring of 1937 by a research team headed by Prof. Edwin J. Cohn of Harvard Medical School.

The Foundation thought that the research team's request for a temporary grant of \$12,500 to continue its work was reasonable and the grant was made. Actually, the Foundation already had a considerable commitment in the program.

The project first got under way back in 1920 when Dean David Linn Edsall of Harvard Medical School

decided to establish a laboratory to delve into physical chemistry. He selected Dr. Cohn of his staff to direct the work.

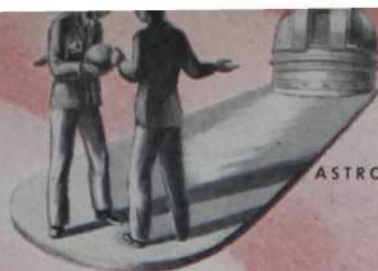
Once the laboratory had been set up, the subject of proteins became a top study. The workers were to find out everything they could about the subject—whether or not a certain protein was soluble and, if so, in what; what it would split up into, whether it would crystallize—almost whether it would bounce.

It was a big day when, in studies of the constituents of the blood, the fibrinogen appeared as a white precipitate, and another big day when the gamma globulin dropped out. But, like all other research, the task was a combination of bookkeeping and ditch-digging—years of it. Pure plasma protein was finally broken up into various





YELLOW FEVER



ASTRONOMY



HISTORY

BEHAVIOR



LABOR RELATIONS



PROTEINS

K. SPAGNOLO

THE STRANDS of Foundation beneficence run deep, reaching . . .

ACCOUNTANCY: Economic and political effects of accounting postulates.

BUSINESS: Best method of financing small enterprises.

MEDICINE: Fellowships for research.

DEPRESSIONS: Prevention of the recurrence of economic famine.

CARDIAC RESEARCH: Disorders of the heart and circulatory system.

ECONOMICS: Ways to iron out business wrinkles.

GERMANY: Economic and cultural effect of postwar problems.

AGRICULTURE: Study of food and farming during World War II.

MALARIA: Control of "conquered" maladies.

YELLOW FEVER: Continuation of war against this dreaded disease.

HISTORY: Impact of Sears, Roebuck on American society and economy.

LABOR RELATIONS: Wartime experience.

ASTRONOMY: \$6,250,000 grant for Mount Palomar telescope.

BEHAVIOR: Sponsor, in part, of the Kinsey Report.

PROTEINS: Supported research project for 18 years.

# Golden Rule

ONE of man's big debts today is to the Rockefeller Foundation. Its funds have fought misery the world over

groups, and among the things obtained were fibrin film and fibrin foam.

There was the case of the child who lost a tooth, an inevitable phenomenon of childhood. But this child was a hemophiliac—a bleeder. His gums bled for five days. Then his worried mother took him to a hospital. A wad of fibrin foam was packed into the wound. The bleeding stopped.

Kidney stones sometimes hide away as effectively as buckshot. Often they are so brittle that they disintegrate under the forceps, and

surgical extraction of the pieces means giving the kidney a considerable mauling. The use of fibrin foam sets up clotting, prevents hemorrhage, and forms a mold over the affected tissue which, when removed, brings stones and fragments along with it.

The protein project illustrates how the Rockefeller Foundation functions in the field of so-called "theoretical" science. As late as 1938, when the project was already 18 years along, the Foundation reported: "The work has been painstaking, abstruse, and likely only

slowly to come to widespread recognition for its essential importance."

Five years later, Raymond B. Fosdick, then Foundation president, declared:

"Knowledge gained in a laboratory devoted wholly to problems of pure science has been turned quickly and effectively to meet immediate human needs."

And he quoted a remark of John Dewey, educator and author "It does not pay to tether one's thoughts to the post of usefulness with too short a rope."

That is the business of the Foundation: Supplying enough rope.

Since its establishment in 1913 by the gift of \$100,000,000 from John D. Rockefeller, Sr., the Foundation has appropriated \$298,600,466.61 from income and \$118,010,727.77 from capital—a total of \$416,611,194.38. Last year's appropriations were \$23,413,615, the largest in the Foundation's history.

The transfer of \$20,000,000 from the principal fund (although only part of this sum was actually appropriated) was also the Foundation's largest allocation of capital in any one year. The average an-



nual appropriation for the preceding ten years was \$11,308,560. The initial report of the first treasurer, covering the period from May 22, 1913 (the date of the first trustees' meeting) to December 31, 1914, showed total appropriations of \$4,094,809. The book value of the principal at the close of 1947 was \$118,071,816.

The Foundation has come a long way since its establishment 35 years ago, as its statement of administrative expenses for the first seven months of its existence indicates:

Traveling, \$65.20; secretary's office, \$58.50; treasurer's office, \$56.80—for a total of \$180.50.

The Foundation's funds come from two sources. One is the original endowment plus two additions made to it by Rockefeller. The other is gifts and bequests. The Foundation has never sought funds, makes no public (or private) appeals, conducts no drives, makes no solicitations, direct or indirect.

Not only does the Foundation not solicit funds—it does not solicit publicity. Its annual report and its president's review are given to the press as an account of services rendered; the names of new officers and trustees are, of course, announced as a matter of public interest. But no handouts are issued, no press conferences held.

It has no objection, however, to press releases by institutions receiving its awards, but it makes plain that the recipients are wholly at liberty either to include or to omit references to the source of the grants. Most institutions, however, are eager to mention the source, because a grant from the Foundation may be accepted as an accolade.

The strands of Foundation beneficence stretch wide and deep. Its direct contribution to the protein research program at Harvard, up to the end of the war, totaled \$182,500. Indirect contributions would add many thousands more to that figure. For instance, a key assistant to Dr. Cohn was Dr. John Lawrence Oncley, who took two years' post-Ph.D. work at Massachusetts Institute of Technology on a National Research Council fellowship provided by the Foundation. Another aide was Dr. S. Howard Armstrong, an instructor in medicine and research associate at Harvard on a Welch fellow-

ship, established by the Foundation. A terminal grant of \$350,000 was made to the basic protein program in 1945.

Three visiting investigators from Belgium, two each from Switzerland, England and Argentina, and three from the United States are at Harvard on one-year appointments in protein research, all on Foundation funds.

### For the general good

THE broad objective of the Foundation is "to promote the well-being of mankind throughout the world." That is a large order, largely stated. Twenty trustees—who include among themselves corporation executives, bankers, university presidents, doctors, newspaper editors—do not sit around a table and ask each other: "Well, anybody got a bright idea for promoting the well-being of mankind this morning?" We shall see in a moment just how the promotion of a bright idea is set in motion.

A contemplated program must fall into any one of five fields: public health, medical sciences, natural sciences, social sciences and the humanities. The Foundation does not give or lend money to individuals; it does not finance patents or altruistic movements that involve private profit; it does not support campaigns to influence public opinion; it does not contribute to the building or maintenance of local hospitals, churches,

libraries or museums. Hundreds of appeals are received annually which fall within these negative categories.

The Foundation's final selections are made in much the same manner that a major league baseball club picks its players. The ball club has scouts. So has the Foundation—people scattered throughout the world. One of them may inform the Foundation about some research job in neurophysiology which is being carried on at the Karolinska Institute in Stockholm, or a project in child guidance at Catholic University in Washington, D. C. Another may report a program of experiments in fluid research at the University of Utah.

Another example of scouting involves the linking together of two apparently unmixable branches of learning.

If you were looking for an authority on the application of mathematics to the problems of electrical network analysis, communications analysis and feedback systems, you would likely be referred to Dr. Norbert Wiener of M.I.T. Early in 1946, about the last place that Dr. Wiener expected to visit in the immediate future was Mexico City, and probably the last thing he expected to be doing—ever—was investigating the phenomena of nervous excitation and response in the Institute of Cardiology in the National University of Mexico.

The head of the group of specialists engaged in the study of disorders of the heart and of the circulatory system at the Institute of Cardiology is Dr. Ignacio Chavez. Himself a graduate of the National University, he had studied in Europe and returned home in 1927 to become, at 30, professor of clinical medicine in his old school. In 1944 he saw a cherished dream come true with the dedication of the new Institute of Cardiology building.

To head the department of physiology and pharmacology he chose Dr. Arturo Rosenblueth, a Mexican scientist who had worked with Dr. Walter B. Cannon of Harvard and who was himself an assistant professor at Harvard.

Dr. Cannon told the Foundation about Dr. Chavez' and Dr. Rosenblueth's research plans in Mexico City, and soon a

(Continued on page 60)



As Foundation president, Chester I. Barnard has a job that covers the world, and everybody in it



# HOW TO LEAD A HAPPY, USEFUL LIFE WITH DIABETES

Diabetes results from the body's failure to make proper use of sugar and starches. This occurs when something goes wrong with the system's natural supply of insulin.

Starting with the development of prepared insulin 27 years ago, medical science has made many advances in treating and controlling diabetes. There is now hope that the use of radioactive "tracers" and other research will contribute to a greater understanding of this disease.



**1. Today**, by utilizing current medical knowledge through close cooperation with the doctor, the average diabetic may look forward to living a happy, useful life.



**2. Prepared insulin** is sometimes used when the diabetic does not produce enough for his needs. New, slower-acting insulins make possible more accurate control of diabetes.



**3. Diet determines** the amount of sugar and starch taken into the body. In some cases, by balancing diet and exercise, diabetes can be controlled without added insulin.



**4. Exercise helps** keep blood sugar at a safe level by using up sugars and starches. Many diabetics, by following their doctor's advice, are able to continue their favorite sports.

## Early discovery helps control diabetes

A survey by the Public Health Service indicates that for every four persons known to have diabetes, there may be three others who have the disease without knowing it.

Since early diabetes has no obvious symptoms, discovery may come only when a doctor makes a urinalysis, and then, if necessary, a blood sugar test.

These tests are important for people most likely to get diabetes—those with a family history of the disease, or who are overweight and past 40, especially

women. Everyone, however, should try to keep weight down, and have a regular medical examination which includes a checkup for diabetes.

If diabetes is discovered, it is reassuring to note that with good medical care, the average diabetic is living much longer. At age 40, his life expectancy is more than twice what it was before insulin was discovered in 1921.

To learn more helpful facts about this disease, send for your free copy of Metropolitan's booklet, 118P, "Diabetes."

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

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**TO EMPLOYERS:** Your employees will benefit from understanding these important facts about diabetes. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.



# Europe Is Coming Back

By PER JACOBSSON

THOSE WHO look beyond the headlines to interpret foreign news realize that considerable progress, both economical and political, has been made in Europe. In March this year the change of regime in Czechoslovakia was uppermost in people's minds. The two following months brought a crop of favorable news: the elections in Italy; the political settlement between Finland and the U.S.S.R.; and the voluntary halving by the U.S.S.R. of the remaining reparation liabilities of Finland and Hungary. There now are many who think the Czechoslovak crisis represented the high-water mark in the shift of political power between East and West in Europe. The struggle over Berlin does not really invalidate this statement: it represents a tug-of-war in a clearly defined area. West of the "iron curtain," the countries of Europe are painfully getting together in Paris, heartened by the fact that the United States is helping its friends through the ERP, while no similar aid is forthcoming to the countries east of the "curtain."

On the basis of experience to date, every move

## Einaudi's election holds promise for Italy



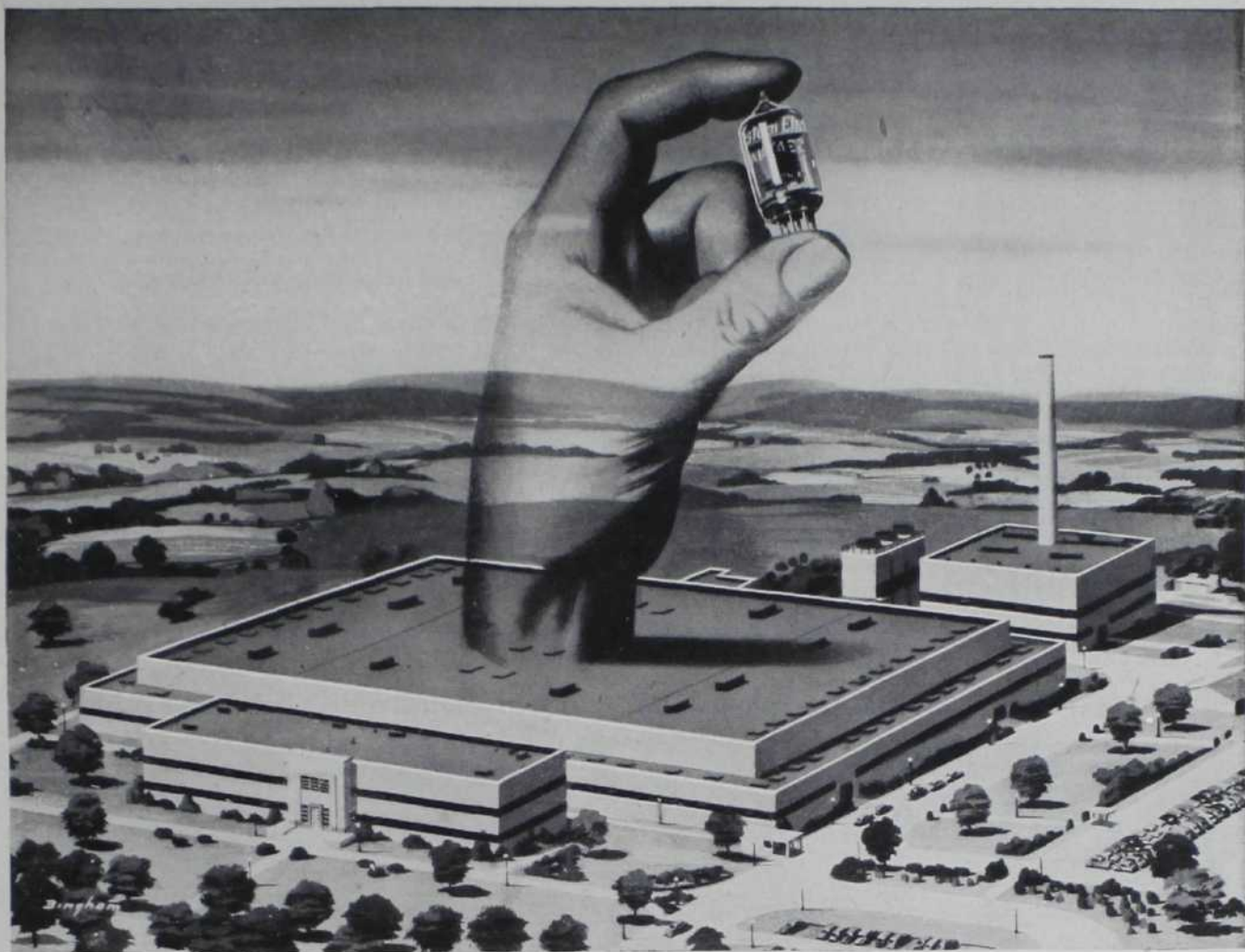
## Hope has replaced skepticism in France

toward greater political stability will become a milestone along the road of Europe's economic reconstruction. What has happened in France, Italy and Greece documents this thesis.

After three weeks' hard struggle in November and December, 1947, the French general strike was broken. A government strong enough to obtain Parliament's approval for a positive reconstruction program was formed. It faced the immediate economic problems squarely: subsidies were cut down, taxes were increased and other steps were taken (including a semicompulsory loan) to enable the French treasury to avoid resort to the Bank of France for its financing.

Yet the French people remained skeptical. In one way this was useful. As long as politicians believed that the scheme of reconstruction would fail, they were not keen to assume responsibility for the country's affairs. Consequently, the Schuman-Mayer Government got sufficient time to put its own plan into execution. Once results began to show, the appetite of the politician was whetted, while the workers were pressing to get an increase in their share of the national





## Just to give your voice a lift



**W**HEN you make a long distance telephone call, your voice would soon fade out were it not for vacuum tube repeaters.

They give your voice a *lift* whenever needed—carry it clearly from coast to coast.

Vacuum tubes and other electronic devices are playing an ever-growing part in your Bell telephone service. As the manufacturing unit of the Bell Sys-

tem, Western Electric makes millions of these intricate little things.

To produce them to highest standards of precision and at lowest cost, Western Electric has just completed its new Allentown, Pa., plant—latest addition to vast telephone making facilities in 18 cities. Now, and in the years ahead, this new Western Electric plant will help to make your Bell telephone service better than ever.

*At Western Electric's new Allentown Plant, over 2,500 people work amid conditions of almost surgical cleanliness—for a speck of dust or trace of perspiration may seriously impair the quality of electronic devices they make!*

To provide such conditions, the entire plant is air conditioned. The interior is completely sealed off and is slightly pressurized to prevent dust laden outside air from seeping in the doors. Temperature is maintained year 'round at 70° to 80°, with relative humidity of 40% to 50%.

Over 40 miles of pipes deliver 13 needed services to working locations. These are hydrogen, oxygen, nitrogen, city gas, city water, deionized water, soft water (cold, hot, cooling) high pressure air, low pressure air, process steam and condensate return.

The plant has its own steam generating, water softening and gas making plants and uses as much electric power as a city of 20,000.

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of telephone apparatus for the Bell System.



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of supplies for Bell telephone companies.



### DISTRIBUTOR

of Bell telephone apparatus and supplies.



### INSTALLER

of Bell System central office equipment.



# Western Electric

A UNIT OF THE BELL



SYSTEM SINCE 1882



product. Changes in the government revealed the tensions inside the present combination of parties, without, however, disrupting the "third force" constituted by the middle-of-the-road parties. In September the Queuille Government substantially increased taxation; this year's harvest is good; industrial production has risen to prewar levels. Thus, with Marshall aid arriving, the technical conditions exist for further impressive progress—provided that social peace can be maintained and the authority of the government restored—two conditions not beyond the possibility of fulfillment, especially since the supply of goods should continue to increase.

In December, 1947, the general strike in Italy was broken after only a few days' struggle. There, too, a positive program was put into execution under the leadership of Prof. Luigi Einaudi. His election as president in May, 1948, may well be taken as an outward sign of the gratitude of the Italian people. He would not have reached that position had his plans failed. At the beginning of 1947 the dollar was quoted on the free market at nearly 900 lire. In the summer of 1948 the quotation was less than 600.

Late in 1947, the Greek civil war came to a head with a well prepared push of communist rebel forces led by General Markos. The attack failed. There fol-

lowed, in the first five months of 1948, more stability and increase in production than in any other period since the Germans were ousted.

In Austria, a currency reform in December, 1947, cut the note circulation by one third and all war-time deposits were wiped out. This involved great sacrifices for the Austrian people, and the politicians had reason to tremble. But in the first five months of 1948, prices in the black markets fell 40 to 60 per cent and supplies of commodities have been getting more and more plentiful.

### Aid helped reconstruction

PROGRESS in these four countries is interesting for a particular reason. As most people know, Greece received special aid from the United States. The other three countries—France, Italy and Austria—were those for whom Congress voted interim aid.

There is no doubt that this aid has been of real importance. It has supplied food, fuel and raw materials, without which industry could not have increased its output steadily. But the aid also has been important from a moral point of view. Lacking it, the governments concerned could not have summoned the strength to withstand strikes, resist

### Dutch workers have topped prewar output

EUROPEAN



### A lack of queues marks Belgium's comeback

MODERN FROM EUROPEAN





political pressure, impose unpopular measures and to overcome other obstacles which might have prevented reconstruction programs.

Some opinion in the United States holds that Europe has made no efforts to put its own house in order and that the aid extended to date has "gone down the drain." Others argue that such aid has been applied in the best possible manner. Although some money doubtless has been spent unwisely, the truth is that the majority of European countries have made great efforts to repair war damage and these efforts now are showing results.

Most spectacular has been the improvement in communications: bridges have been rebuilt, roads have been restored, damaged cars and locomotives repaired or replaced. In 1947, railway traffic in most European countries already exceeded the prewar volume.

For the first two and a half years after hostilities had ceased, the coal shortage was the most troublesome bottleneck hampering recovery. But, thanks to higher production and continued imports from the United States, lack of coal no longer forms a serious obstacle to increased output. Moreover, the European production of electric power rose from 130,000,000,000 kilowatt hours in 1938 to 170,000,000,000 in 1947.

Much of Europe's plant and equipment is the worse

for wear and not up to modern standards. Many workers have been unable to obtain sufficient nourishment, fats in particular being lacking. For these and other reasons, efficiency is not what it should be. But even so, the volume of industrial output in a number of countries—among them Great Britain, France, Belgium, Holland, Denmark, Eire, Norway, Sweden, Switzerland and Portugal—is up to or above the prewar level. In Italy, Greece and Finland progress was good in both 1946 and 1947. In Greece, for example, industrial production rose from 55 per cent in 1946 to 80 per cent in the spring of 1948.

These comparisons are made on the basis of production in 1938, a year of relative depression. Using the top prewar year (1937), the current situation in Europe appears less favorable. Industrial output is about where it was 11 years ago.

Agricultural output was held back by bad weather in 1947. After an unusually long and cold winter came an unusually long and warm summer (the hottest, it would seem, since 1540), which brought the harvest down to two-thirds normal. That meant greater scarcity, higher prices for food in the black markets and urgent needs of increased imports even at the risk of drawing heavily on slender monetary reserves.

Since the present year has produced an excellent

## Typical of the degree of industrial recovery in France was this year's automobile show

PRESS ASSOCIATION





harvest, European recovery will be based on a firmer foundation. But the full benefit will be obtained only if monetary confidence is restored. The European farmer, cheated more than once in the past by inflation, will not sell his products for money which he in turn cannot use to buy needed goods. The problem of feeding Europe can be solved only if inflation is stopped.

Progress has been made in this direction, though much still remains to be done. More countries have succeeded in balancing their budgets. Even Italy, with one of the poorer records, is moving ahead. In the fiscal years 1946-47 and 1947-48 only 52 per cent of that country's total government expenditure was covered by current revenue. But for the current year, 1948-49, fully 70 per cent is being covered. The improvement has been due mainly to the high yield of taxation, but partly to retrenchment.

It would be overrating Europe's strength to think that this continent already can stand on its own legs. Its recovery still is largely conditional on receipt of further aid from abroad. If such aid were withdrawn, a number of countries

and not a negative purpose. It must provide time for reorganization so that the Europe emerging when the aid ceases will again, in dignity and strength, be self-supporting.

One of the requisites for a strong and self-supporting Europe is a smoothly working monetary system.

### Schemes to help trade

AT the end of the war, European countries had, by their payment agreements, granted mutual credits equivalent to \$1,500,000,000. In the course of time, however, these credits were largely used up and the creditor countries soon found it increasingly difficult to grant further accommodation. An attempt was made in the fall of 1947 to set on foot a compensation mechanism, with the Bank for International Settlements as agent. Only limited results were achieved and it is hard to say whether more progress can be made without outside aid, but much experience has been gained.

And this experience has proved useful in Paris, where \$600,000,000 or one eighth of the ERP funds has

frances to its customers in Europe to a countervalue of \$207,500,000, which it is receiving as a grant and is able to use for the payment of its excess of imports in relation to the western hemisphere.

Under the ingenious system invented, the injection of dollars thus permits trade to be carried on with the United States and at the same time within Europe; Great Britain will, in addition, allow already existing balances to be more freely utilized. And the scheme will be so administered as to get the greatest possible use out of the funds provided; the opportunity must not be missed to develop out of the present cooperation an efficient monetary system for Europe's internal needs and for its relations with other countries and continents.

One must realize, however, that little progress can be made internationally unless each individual country is put in a sound financial position and has restored balance in its own cost and price structure.

First requisite is for a balanced budget. Next the volume of investments must be kept within the limits of current savings plus aid received from abroad. Often it will be necessary to restrict credits and it should be noted that authorities in Europe have gone further than those in the United States in discarding cheap money. In quite a number of European countries commercial credits now cost between five and nine per cent and long-term government bonds yield between four and five and a half.

Few European nations allow their central banks to support the quotation of government bonds by large purchases of such bonds in the market. Where it still is being done, the opposition to such a policy is growing. The tendency on the continent is to discard direct physical controls (over raw materials, prices, wages, movement of labor, existing investments, etc.) and to adopt the more flexible financial controls, the amount of monetary purchasing power and the size of money incomes being adjusted to the volume of goods and services currently available. There is emerging a new kind of free economy, the first aim of which has been to get rid of the cumbersome wartime methods of control.

These monetary difficulties hinder trade within Europe more than do high tariffs. When countries have no more gold or dollars or foreign credits available to pay for imports, they begin to impose quotas and prohibitions and to enter into bilateral agreements,



BYERS FROM BLACK STAR

### European recovery hinges on Germany's comeback

would face almost overwhelming difficulties in trying to obtain a minimum of food and materials.

There are many who look on American aid almost exclusively as insurance against social and political risks. It is not wrong to adopt that view, but it is wrong to stop there. The aid must have a positive

been allocated for the first year to serve the purposes of intra-European trade under a compensation scheme administered by the Bank for International Settlements. Belgium, having an excess of exports in relation to its neighbors in Europe but a deficit in its trade with America, will furnish Belgian



which may help in one direction but usually lead to distortions which are harmful to trade all around.

Most countries in Europe still have rather low tariffs. European countries mostly apply a system of specific duties. Thus when commodity prices rise, duties make up an even smaller percentage of the value of the commodities imported.

### Trading between East and West

NEITHER need the political cleavage in Europe between the East and West necessarily impair commercial relations. Poland, in fact, is sending more coal to western countries now than she did in 1946 and 1947. It is really in the interest of the eastern countries to sell all they can to the West, since it is from the West that they obtain the modern machinery they need and many of their raw materials.

The trouble arising from the political cleavage is rather that Europe cannot agree on any common plans either as regards the continent as a whole or as regards Germany. The latter country must, of course, again get into working order. As the International Chamber of Commerce put it in a statement of February, 1948:

"Germany is one of the key points of European recovery. Until Germany is reintegrated, with all proper safeguards, into the European economy, Europe cannot give of its best."

There is no doubt: *Europe is making progress*. American visitors often find conditions which, at least outwardly, appear excellent. But they should not jump to conclusions. There still is a great deal of ground for dissatisfaction. Most European governments have no easy time maintaining themselves, and they still have to cope with strong tension in foreign affairs. But there is a growing feeling that it is worth while to make efforts, since, with American aid, there is a fair chance of sustained recovery.

Such recovery will not come of itself. Europeans know well that they must not slacken in their efforts to put their own houses in order and to get together in common determination and unison. The American people, as they witness progress being made from one year to another, will feel that their aid is being used wisely. Then and only then will they understand how much it is in their interest to support further an endeavor, the ultimate aim of which is to enable western civilization to survive.



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## How Science Aids the Golden Rule

(Continued from page 52)

grant of \$4,000 was arranged for the purchase of equipment. In 1946, the Foundation made another grant of \$18,000 for additional apparatus.

Dr. Rosenblueth, meanwhile, was finding himself in the middle of more elaborate computations than he had bargained for. The nervous system is, in itself, a highly complicated network of communications lines—a telephone exchange in miniature. During his Harvard days Dr. Rosenblueth had met Dr. Wiener. Their technical specialties seemed, at the time, to have little in common. But Dr. Rosenblueth thought Dr. Wiener's specialty could be put to use in the study of human physiology.

The upshot was that, in 1946, the Foundation made a small travel allowance to permit Dr. Wiener to visit Mexico City. Four months later he produced the results of an investigation of the conduction of nerve impulses in the heart muscle.

Today the two-man team is operating on a commuter schedule that takes Dr. Wiener to Mexico City for six months and brings Dr. Rosenblueth to Cambridge, Mass., for the next six. The Foundation has awarded an additional \$27,500 for the project for five years.

### Hookworm under control

MOST of the board members can recall the campaign to stamp out hookworm, back in 1909 and thereabouts, which brought to the forefront the name of Rockefeller, Sr., as a public benefactor. Hookworm was an insidious ailment which once exacted a heavy toll in disability and death in a broad belt around the world. More than half the world's population lived in areas in which hookworm was endemic.

The ailment was accepted as one of the inevitable hazards of mankind, which it certainly was in the area affected. The Rockefeller Sanitary Commission, organized to combat hookworm, found that of 548,992 children examined in this country, 39 per cent was infected. In some other countries, the incidence ran as high as 90 per cent.

Thanks to the Sanitary Commission and its hardy offspring, the Rockefeller Foundation, this is history. This does not mean that hookworm has disappeared. Diseases don't vanish. They are

brought under control. Therein lies the victory.

Malaria offers a graphic example of the lying-in-wait characteristic of the causative factor of a disease. Over the years, the Foundation has waged telling warfare against the *Anopheles gambiae* mosquito which carries malaria. Gambia is a tiny British crown colony on the western bulge of Africa, just about big enough to give its name to a mosquito. *Anopheles gambiae* was pretty well licked in Brazil.

### Mosquitoes by airplane

THEN came the war, and with it the Army Transport Command. Planes ran with the frequency of ferryboats from Natal, at Brazil's easternmost tip, to Dakar and Akkra, north and south of Gambia. Incoming planes at Natal, fumigated before departure in Africa and again before landing in Brazil, managed nevertheless to provide passage for an occasional *gambiae* mosquito. Five live specimens subsequently were caught in houses near the Natal airport. Malaria did not sweep Brazil, nor is it likely to. Though, as the Foundation points out:

"When it is realized that a single fertilized *gambiae* could start a conflagration similar to that which swept north from Natal in the '30's, the danger of the situation becomes apparent."

The incident proves that vigilance is the price not alone of liberty, but of the control of malaria or hookworm or any other "conquered" malady.

Foundation people are particularly proud of their public health record because the public health program is the first-born of the family, and because it is the one activity operated directly by the Foundation itself. It was, as well, the forerunner of work in the medical sciences. Not until 1929 were the natural sciences, the social sciences and the humanities added to the program.

The war on yellow fever is regarded as the longest, the most discouraging, and at the same time the most rewarding endeavor ever carried on. Yellow fever has been driven back into the jungle, but it still lurks there, ready to advance again should the guard be lowered.

Outside the field of medicine, the Foundation now is looking for a way to prevent business depres-

sions. Last year it made the largest grant it has ever made in the field of economics to the National Bureau of Economic Research—\$1,300,000. The program will be in operation until 1954.

The N.B.E.R. is 28 years old. During 25 of these years it has received Foundation support. Its conclusions have come to be highly respected by bankers, industrialists and business men generally, and have been cited as authoritative in Supreme Court decisions.

Numerous other Foundation projects are aimed at smoothing out business wrinkles. The American Institute of Accountants is working with a \$30,000 grant on a study of accounting definitions and postulates and their effects on political and economic policies. The Netherlands Institute of International Affairs has \$25,000 with which to study economic and cultural effects of the German problem. The University of Pennsylvania, with \$10,000, is studying our war experience in labor relations. Yale, with \$43,800, is engaged in a three-year study of the labor market structure and wage determination. Stanford University has \$300,000 for a five-year study of food and agriculture during World War II. The University of California has a \$50,000 additional grant toward a broad program that will include a study of the financing of small business enterprises. The University of Chicago has been granted \$36,000 to produce a history of Sears, Roebuck & Company, with emphasis on the implications to American society and economy. Two years ago some \$6,250,000 went into a telescope—the giant 200 inch lens camera atop Mount Palomar in California.

### Reports are scholarly

BOOKS which are the outgrowth of Foundation beneficence rarely become best sellers. An exception is the famous Kinsey Report, "Sexual Behavior in the Human Male."

The Kinsey Report is a Foundation-sponsored project to this extent: In 1931 a grant was made to the Committee for Research in Problems of Sex of the National Research Council. In the 17 intervening years, Foundation grants for this program have exceeded \$1,000,000. The National Research Council has directed all of the allocations of these grants in institutions conducting research in sex problems.

At the outset, the Council found that little was known about sex physiology aside from some data



and a few observations derived from the lore of animal husbandry.

Dr. Alfred C. Kinsey of Indiana University had become interested in a case-history study of human sex behavior. He and his colleagues had been engaged on this job for eight years, the last three under a special allocation of \$120,000 from the National Research Council, employing the Foundation's funds.

The Foundation is interested in roots rather than in blossoms. It works for the long pull. It never rejects an idea merely because that idea, if followed through, would produce immediate fruit. But most of the programs for which it appropriates funds are of the sort which require patience, experimentation, trial and error.

Last June, having reached the compulsory retirement age of 65, Raymond B. Fosdick terminated his 27 years of active service as a Foundation trustee, and his thirteenth as its president.

### Barnard new president

HIS successor is Chester I. Barnard, a business man and an author, with some dozen titles to his credit. He has been with the Bell Telephone System since 1909, and from 1942 to 1945 was president of the United Service Organization, Inc. (USO).

Barnard is a fellow of the American Association for the Advancement of Science and of the American Academy of Arts and Sciences, a member of the board of advisers of the Institute of World Affairs, and a director of the National Bureau of Economic Research, the Prudential Insurance Company, the American Insurance Company, the Fidelity Union Trust Company of Newark, N. J., and the New Jersey Bell Telephone Company.

He also holds honorary degrees from Brown, Princeton, Newark and Rutgers universities, and from the University of Pennsylvania. For several years he directed the Emergency Relief Administration of New Jersey, which he organized in 1931. From 1931 to 1934 he was a director of the Chamber of Commerce of the United States, representing New Jersey, New York, Pennsylvania and Delaware. He has been a Foundation trustee since 1940.

When Raymond Fosdick stepped down as president, he gave no public valedictory. When Chester Barnard took over, he made no acceptance speech. He had a job to do—a job that covered a lot of ground. Just the world, and everybody in it.

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## Jackpot for 1960

(Continued from page 35)

decentralizing to get nearer to markets, to get away from rapidly rising city taxes, to find cheaper land and labor costs, and better living conditions for employees. The Government's official policy is encouraging this decentralization for security reasons in an atomic age.

Watch the suburbs grow! In them lie the best opportunities for retailers and service businesses in the '60's. This is still part of our urban movement, but the great growth will be around the big cities, not within their corporate limits. The suburban population will continue to grow at the expense of both the rural and the central city populations. The West and Southwest will continue to gain rapidly in population by migration from other regions.

### National habits are changing

CHANGES in customs and manner of living are always rapid after a great war. The 14,000,000 men who were in the armed services, uprooted from their peacetime environments, customs, habits and modes of living, have acquired new tastes and new outlooks on life which will greatly affect your markets of the future.

Diets in the United States have improved greatly in the past ten years. They will still be improving greatly through the next 20. We are eating about 15 per cent more food per capita than we did before the war and have better balanced diets. Although there has been considerable improvement in diets, many families still live on poor ones. Changing food habits—or any habits—is a slow process. Good nutrition depends not only upon income but upon consumer knowledge and the desire to follow sound eating habits. Yours will be the chance to help change these habits by your advertising in the '60's if you are in the food business.

Should you be in the clothing field, two major conditions will favor your success. First, incomes will be relatively high and better distributed throughout the population. Second, family outlays for apparel increase with the trend of people to metropolitan areas. The family expenditure for clothing rises as it shifts from farms to villages, from villages to small cities, from small to large cities and their

suburbs. But, you will have more old people in your market and family spending for clothing declines after husbands and wives reach about age 40.

Expenditures for medical care will be rising. This will not be the result of poorer health, but of a better knowledge and appreciation of the need to improve health.

You will be advertising and selling to a market with a much higher education level. In 1948 more than a third of our population aged 21 years or over has a high school education. By 1960 approximately half our adult population will be at that level and more than six out of each 100 will have a college education. Many more will have some high school and college training. This means better tastes, higher standards of living and better workers trained for specific jobs. It also means that your prospects and customers will be more discriminating buyers and more discerning critics of your advertising.

Incomes will be higher and more evenly distributed throughout the population. More of the lower income groups will have climbed up into the middle class but more of the upper-bracket group will have climbed down into the middle class. Government tax and inheritance policies, regardless of the party in power, can be expected to encourage this trend, varying in degree

but not in direction. We seem destined to become a middle-class nation. Although it will be harder to make a big fortune in the '60's, it will be easier for more families to attain a standard of living which in other countries will be considered luxurious.

The farm market calls for special attention. By 1960 there will be fewer but bigger farms. Instead of today's 5,900,000 farms there will probably be 5,500,000. The average size of a farm has been increasing for many decades. The farm family, with mechanization, can handle much more land with an increased output per person and per acre, and at reduced costs. Therefore, fewer families and fewer people can remain on farms if the farmer and the consumer are to obtain the full economic advantages of mechanization and better methods.

### Farms are getting larger

THE total acreage of land in farms is increasing and will continue to do so. More farms will be operated by owners and fewer by tenants. Farm income has gone up rapidly over a long period and productivity has constantly increased. Farm income will remain high so long as we enjoy reasonably high employment in our economy. Productivity will continue to increase with mechanization—but so will the capital needed to operate a farm properly.

The farmer's present mortgage indebtedness is very low. His purchasing power is neither pre-empted by debt nor diluted by the fear of losing his farm. He is not likely to repeat the mistakes of the '20's.

The constancy of the trend to mechanization is unquestioned but there is still far to go for the next 20 years. In 1945 almost two thirds of all farms still depended either wholly or partly on horses and mules for motive power. There were no electric lights in 48 per cent of farm dwellings; no running water in 72 per cent; no private bath and flush toilet in 84 per cent, and no central heating in 85 per cent. Electrification will increase rapidly. Farm mechanization follows closely behind electrification and the acquisition of a tractor. Adequate farm housing will continue for many years to be a major need. All these needs are the farm market of the future.

A rapid evolution, rather than a revolution, is taking place in distribution. Many changes will have come before 1960 with others to come, but slower.

Salesmanship will have changed





by 1960. There will be more introverts in selling in 1960, with their factual and reasoned approach to problems, products and prospects. The flying into action on the slightest provocation, the "meeting life too eagerly" approach, the superficial thinking and bluff of the typical extrovert salesman will be far less effective sales equipment than in the past.

Sales managers will do more managing and less selling. Fewer "best salesmen" will be made sales managers. More plans and decisions will be based on facts—not just facts of the moment but facts on the trends and basic changes to be expected in future.

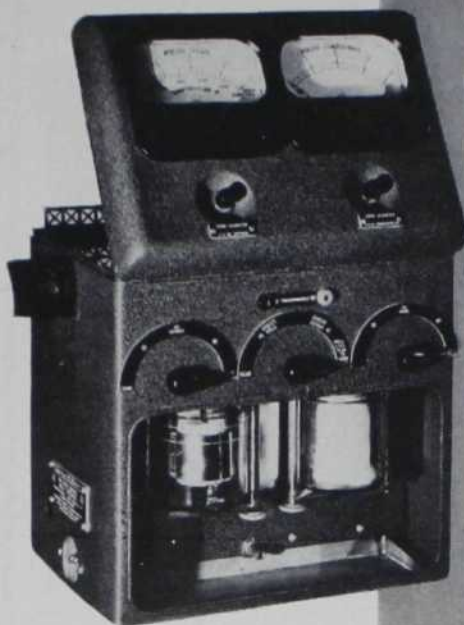
Independent wholesalers will be getting a smaller slice of a bigger manufacturers' sales pie. This will be merely a continuance of a long-time trend. A century ago the wholesaler was the dominant factor in distribution. The slice of that pie sold direct to retailers will be larger, with the manufacturers' own wholesale branches or branch offices playing a more important part. The manufacturer's and retailer's warehouses will continue to take over many of the functions performed in the past by wholesalers.

### Competition for wholesalers

IF THE conventional wholesaler can find ways of performing the wholesale functions cheaper than can the manufacturer and the large-scale retailer by dividing them up between them, and still make a profit, he will survive and thrive. Otherwise, he will be forced more and more into serving only the smaller and the new retailers where expenses are higher—and so are credit risks and failures.

Much of the wholesaler's ability to survive will depend upon his aggressiveness in improving the retail methods of his customers. Wholesalers will have ample opportunity between now and 1960 to show good judgment tempered with caution, and they cannot prosper unless their retailers succeed. The failure rate among wholesalers and retailers throughout our history has been low during and immediately after wars, but high in later postwar years, with by far most of the failures among new concerns.

Agents and brokers will have a particularly unhappy outlook for the '60's. For the next few years they will have a new but short lease on life because of the high birth rate of new products following the war, and in new "boom areas" where stabilized distribution has not yet been established. After



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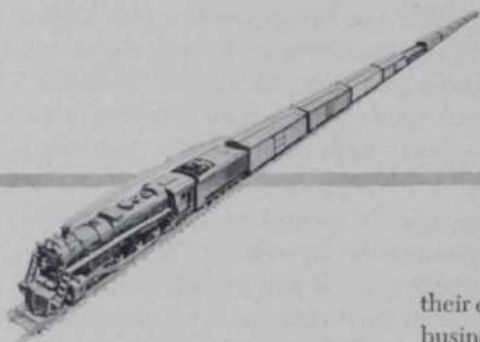
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And other railroad taxes help to protect the health of communities, provide police and fire protection, build roads, airports, and waterways all over America.

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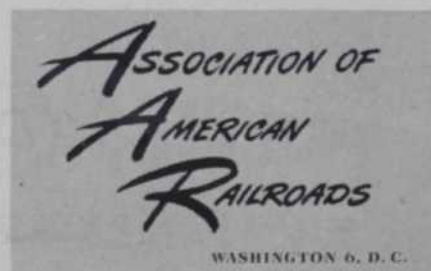
But that's only part of the story! Railroads in 1948 spent three billion dollars for equipment, materials, and supplies, which were bought in five out of every six counties in the country. And the four and one half billion dollars which the railroads paid to

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So it is easy to see that—over and above the essential transportation service they provide—railroads are home-town partners of each of the communities they serve. That's another reason why every American has a stake in strong and healthy railroads.

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normal distribution is established their row will be hard.

The most important pumping station on the pipeline of distribution—the retailer—will have changed quite a lot when the decade of the '50's ends. By that time it will be difficult to distinguish between a department store and a variety store. The "limited price" will have dropped from the latter's present name. The number and kinds of lines carried will have increased. Its face will be lifted and its layout changed. Some of its departments will be "self-service" as will some in department stores.

Mechanization in retailing will have made considerable progress. Vending machines, according to some authorities, will disgorge about \$5,000,000,000 worth of goods per year as compared to a tenth of that amount today. Butter, milk, beer, fish, eggs, fresh meat, phonograph records, telegrams, insurance policies and books are only a few of the items destined for machine selling.

### Stores with wider lines

A FEW years ago there was a tendency toward specialized stores. The tide has turned and headed toward more lines per store. We are turning toward revival of the general store in larger form—and adding "one-stop-self-service-buy-all-under-one-roof" combinations of stores brought together in compact neighborhood shopping centers. Pity the poor census taker when he tries to classify retailers by kind of business 15 years from now!

We will see new mergers of stores both in the form of acquiring ownership and expanding group co-operation—group buying. These same stores will be decentralizing by establishing branch stores in suburban areas and "agency" stores over wider areas. Department stores, mail order houses, variety stores and others will follow that pattern.

The trend toward self-service retailing will still be very evident and will spread from food into many other lines. The increasing costs of labor, the spreading unionization of retail employees, the pressure to increase productivity, and the consumer packaging and branding of more goods all urge the increase of self-service. By 1960, well over 60 per cent of all food sales will be made in self-service stores, with the independents still lagging behind the chains in adopting the method.

The industrial or commissary store will become increasingly



competitive to conventional retailers. More far-sighted policies and changed practices on the part of manufacturers; mining and lumbering companies, in improving the living standards of their employees is giving the commissary, and the "in plant" lunchrooms an increasingly important place in the retailing structure. It enables the company to use its purchasing power in the interest of its employees and as a hedge against high prices, at least for many necessities.

Mechanization and the search for greater productivity will make competition among retailers more intense and more dangerous for the untrained newcomer. The capital needed to start a modern store with its big space and expensive equipment will be much greater. Establishing a store "on a shoe string" in the '60's will invite either quick failure or slower starvation. The "infant mortality rate" has always been many times greater for stores than for babies. Over the past half century it is estimated that three out of ten new grocery stores have failed to survive their first birthday. The consumer pays that bill too! This high mortality rate is largely the result of the untrained and the unfit taking a fling at retailing. It is not because of lack of opportunities because there are many excellent opportunities in retailing and there will be even more in the '60's.

#### Watch distribution costs

WE have achieved many of the gains of mass production. We have barely begun to achieve the gains of increased productivity in distribution. As long as we can increase productivity in the sum of the functions of production and distribution our real incomes and living standards will go up, but, if we permit the gains in production to be eaten up by increased costs in distribution then economic progress stops.

You have had a look over the horizon at the field you'll be playing after 1960. If we do not trade too much opportunity for false security in the meantime; if government, management and labor use even a goodly portion of their collective intelligence, the opportunities will still be there when we arrive. We can expect a national income (in 1947 dollars) of \$250,000,000,000 compared to \$202,000,000,000 last year. It actually looks like Americans would find themselves in the coveted plight of having to learn to live 25 per cent better than they do now!



## Here's How to Get More Cash Continually

WHILE our national income has skyrocketed from 80 to 240 billion dollars in less than ten years, working capital has lagged far behind. Many companies, therefore, are in a strained cash position . . . especially those in an expanding phase.

If a company required a \$50,000 line of credit ten years ago, today it may need \$100,000 or more merely to handle the same unit volume. When high operating costs and selling prices squeeze your operating cash, you should find our Commercial Financing Plan the answer to your problem.

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Our plan supplies the funds you need to turn out high volume essential to profitable operation by liquefying your assets and speeding the turnover of your capital. It frequently makes available double or triple the amount obtainable through commercial time loans. Money is available without delay . . . often subject to your check a day or two after you discuss your needs with our representative.

#### Permits Long-Range Planning

Once set up, ours is a simple, continuing arrangement—and, as selling

prices go up or volume expands, you are automatically in line for an increased supply of cash from us. You are no longer faced with the possibility of having your line of credit curtailed in a tightening money market. You do not spend time handling renewals, calls and periodic cleanups of loans. You can plan ahead with confidence.

#### Low in Cost

Manufacturers and wholesalers from coast to coast have used more than ONE BILLION DOLLARS in the past five years under our plan . . . evidence that it is sound, advantageous and economical. You may find, for example, that the cost of using our plan is so low you would have to secure a rate of 4% per annum, or less, on a commercial time loan to keep the cost comparable.

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300 cities of the United States and Canada.





## It Can't Be Anything But Love

(Continued from page 49)

net gate, whichever sum is larger. This is a very cold dish of potatoes, however, if the crowd falls below 35,000. With payrolls running about \$22,500 a week, on the basis of an 11 game schedule, and traveling expenses adding up to \$3,000 for a trip from Philadelphia to Chicago and return, an owner doesn't begin to make money until his take-home payoff hits \$30,000 a game.

At these prices the moguls must love that football—almost as extravagantly as the fans. The customers' willingness—nay eagerness—to pay unpopular prices for the privilege of occupying 18 inches of parking space in a refrigerated psychopathic ward long has astonished rational folks. Since crucial pro games are played in the dead of winter at stadia located in the most inaccessible spots in urban North America, it always is touch and go whether any given fan will wind up on top of, or under, a stone slab.

That suggests the answer to our riddle. People who buy football or baseball teams, own racing stables or thrust a tentative toe in any phase of sports promotion are essentially fans rather than business men. Half the fun of watching large, muscular oafs play games is second-guessing the heroes' strategy.

When a man becomes rich enough to indulge his whim for master-minding events on the field, he derives so much fun from it that all objectivity and restraint are thrown out of the window. This desire to be in "the know" is first cousin to the frantic efforts men go through to obtain complimentary tickets to major sporting events. By the time they have bought dinners, made several dozen phone calls, neglected their work and are finished with reciprocating favors, they will have spent double the price asked at the box office. But they are supremely happy as long as they can impress friends with a piece of cardboard with two holes punched in it that indicate the precious ticket didn't cost one red cent.

There are other motives, of course, that impel men to stick money into sporting propositions. It is a splendid and steady springboard for publicity—or an equally efficient income tax dodge. It is a passport to certain social circles that are not too discriminating and, surprisingly often, a sublimation of adolescent frustrations. In

the great majority of instances, though, the whole thing is nothing more than an ardent desire to participate in the excitement of sports.

No other explanation can account for the curious behavior of the sponsors of the All America Conference, the second major professional football league, now in its third season. Although it was as plain as the nose on Jimmy Durante's face that bucking the rival National League, solidly entrenched in all the key cities, would run into heavy and consistent losses, the Conference never has encountered serious trouble raising financial backing for its teams. Four of the eight original sponsors already have thrown in the sponge—at Chicago, Brooklyn, Baltimore and Miami—despite attendance figures which again, were far beyond what anyone had reason to anticipate. Last year the Conference drew 2,028,487, an in-



crease of one third over 1946, yet only two teams showed a profit and another broke even.

A once-over-lightly of the Conference backers and their experiences of the last two seasons is enlightening. Although Buffalo broke its home attendance record four times last season, James Breuil, who owns the Frontier Oil Company, claims he lost \$50,000. In 1946, he was separated from \$200,000. Benjamin Lindheimer, who owns among other tidy real estate packages the Washington and Arlington race tracks in Chicago, tripled his attendance at Los Angeles in 1947 and just about bal-

anced his costs. Dan Topping, the tin-plate heir, discovered the New York Football Yankees assayed just enough tin to keep him interested, but this season he is taking a chilling bath with a losing team that may wipe out the profit earned by the home baseball team.

Anthony Morabito, a lumber man, is propping up a piece of deadwood in San Francisco. Two syndicates have given up the ghost in Chicago. Miami went broke midway through the first season two years ago and was replaced by Baltimore, which is giving it another try this year under the aegis of a second group customarily referred to as civic-minded sportsmen. The Brooklyn baseball club has taken over the football franchise in the Conference for the rental income from Ebbets Field.

The one owner who can look at an oblate spheroid without wincing is Arthur McBride, the Cleveland taxi and real estate mogul who counts the Browns, two time Conference champions, among his blessings. McBride could show a fancy profit from football, even for him, if he was not given to such fripperies as a 35 piece girls' band which reputedly costs him \$60,000 a year. At that quotation, McBride must be counted among America's most dedicated music lovers.

Then there is Del Webb, millionaire Western contractor, and owner of a large slice of the New York Yankees baseball and football clubs. When Webb and his associate in the New York Yankees, Dan Topping, first were approached to back a football team in the All America Conference, they demanded that the Conference put up \$100,000 to guarantee them against losses for the first two years of operations. The New York Giants, with their large following of long-standing, were rated tough competition by these two shrewd business men. Yet Webb, like McBride, most likely will retire some day from the sports field without having suffered too much financial discomfort. His greatest comfort, though, will be baseball, the most solid—the only?—sports investment.

For every McBride, Mike Jacobs, Del Webb, Tex Rickard, Jake Ruppert, Sam Breadon and Connie Mack who has escaped with an augmented bank roll, there are a dozen forgotten gents who have been burned badly in sports promotion. The classic examples are to be found in baseball. Although it takes ineptitude verging on sheer genius to lose money in major-league baseball, the trick has been accomplished many times in the



past, more often due to a desire to win than because of incompetence.

Bill Veeck, the young, energetic president of the world champion Cleveland Indians, made a lot of money this year in spite of such whimsical gestures as spending \$90,000—in cash—for Sam Zoldak, a pitcher who never had won more games than he lost in any given season. On the inevitable other hand, there is Tom Yawkey, who in the 15 years he has owned the Boston Red Sox has shelled out more than \$4,000,000 for ball players, an expenditure that has given him absolutely no profit and only one pennant. The only team that has lost money in the last three seasons is the St. Louis Browns, but the major leagues are the frosting on the baseball cake.

### Few teams make money

THERE are some 250 minor league teams and in the entire history of baseball only a handful—San Francisco, Kansas City, Milwaukee, Minneapolis, Atlanta, Baltimore—ever have shown a consistent profit under private ownership. Yet local business men clutching money come a-running from miles around whenever the local team gets into difficulties that threaten to leave the home town without league representation.

Deluded folks who have invested money in sports in the hope of realizing a profit can derive one small consolation from their disenchanting experience. Everyone exposed to the hoopla and hysteria of athletic competition is a sucker for it. Thompson's business sense was not outraged nearly as much as his common sense on October 8, 1944, when Jack Hinkle, one of his hirelings, checked in for a game with the Redskins looking like a man after a rough session with his landlord. It developed that he had just left his wife at the hospital to await the arrival of their first child.

Hinkle was as jittery as expectant fathers always are in cartoons, but he took his place at halfback and played his usual soulful game. A telegram informing him that a daughter had been born was delivered to him in the clubhouse between the halves. Hinkle returned to the arena and played through a crazy 31-31 tie wrapped in a private fog.

He rushed to the hospital after the game and approached his wife tenderly, reverently. Mrs. Hinkle looked up dewy-eyed with motherhood and the wonder of it all.

"Hello, honey," she whispered. "Who won?"

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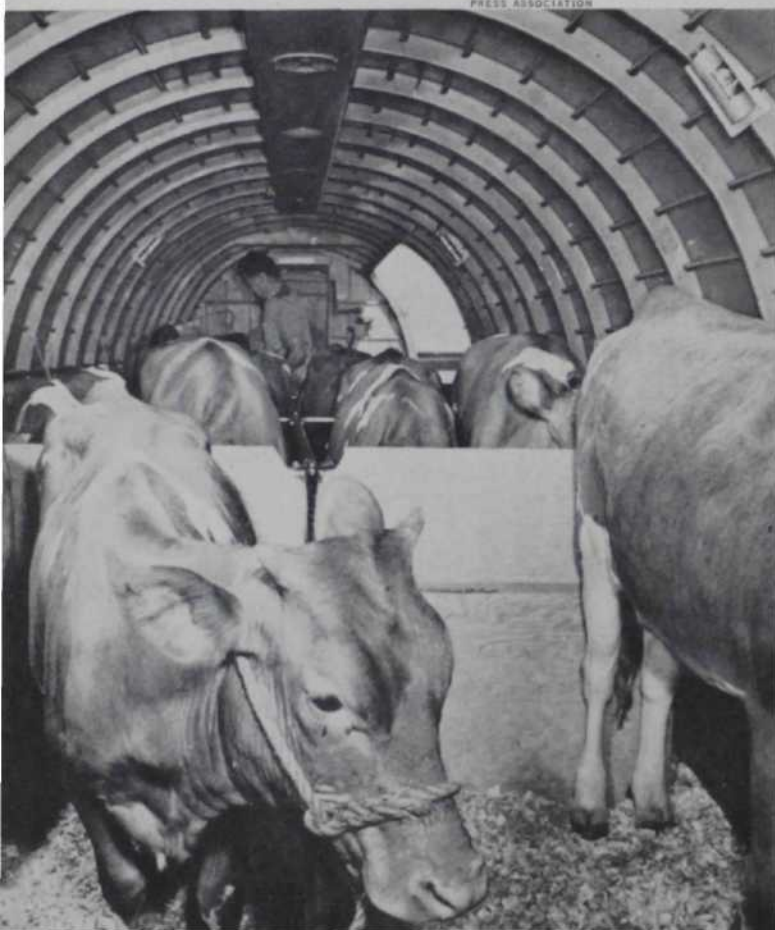






BLACK STAR

THE RACE for certificates to handle a business that doubles each year has air line people and the C. A. B. in a mad whirl



PRESS ASSOCIATION

# Who Will Fly the Freight?

By RICHARD SEELYE JONES

WHEN BOB PRESCOTT was flying cargo "over the Hump" and Earl Slick was piloting bombers across the Atlantic and Charles Willis was recording 4,000 hours in the air for the Navy, they did not anticipate their future meeting, with scores of other flyers and ground officers, in Washington, D. C., in 1947. There they met, as part of "Docket Number 810 et al," Civil Aeronautics Board. They met because they had decided separately to stay in flying after the war, and had found the passenger and mail business already crowded. Freight flying was the business they selected. They met as part of a legal dog fight, to see who was going to get C.A.B. certificates and stay in the pyramiding air cargo trade—a trade which their dreams over distant mess tables, at a bistro in Dakar, or a mud hut in Kunming, had helped to stimulate.

In 1944 there was no air freight business in the United States worth mentioning, except the war business of the Army's Air Transport Command and the Navy's Air Transport Service. In 1945 a lot of ex-flyers were buying surplus government planes and picking up charter and contract cargo where they could find it. A year later the established air lines were getting back their planes and pilots and flying 19,000,000 ton-miles of freight as a side line to passenger, mail and express business. The wartime amateurs had developed some fairly substantial companies and were flying about 27,000,000 ton-miles. By the end of 1947 the business had doubled. In 1948 175,000,000 ton-miles of freight were flying through the sky. The contest in Washington is to determine who will get the permanent rights to handle this common carrier traffic of the air, over what routes, and at what rates.

Thirty-five passenger carriers are certificated to carry "passengers and property." They haul freight in surplus space on passenger flights, and in planes devoted entirely to cargo. Thirteen postwar "independents" are seeking certificates from C.A.B. and meanwhile are flying all-freight ships under a blanket "exemption" granted by C.A.B. in May, 1947, and good only until certificates are allowed or denied. Their freight tonnage exceeds that of the passenger lines. Add to these the charter and contract outfits which require no certificates, and the total air freight revenue in this country will be about \$35,000,000 for 1948. If the growth keeps up there will be \$100,000,000 in the business in 1950 for somebody.

Initially it was a trade in perishables. Department of Agriculture studies had indicated that a lot of



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sand castings. Today that knowledge and equipment turns out aluminum castings for a multitude of uses with speed and economy that was undreamed of a few short years ago.



Southern fruit and vegetables could be flown to Northern markets with profit. Pioneers in air freight picked Florida, Texas and California as starting points. Almost immediately they learned that no profit accrued by flying strawberries or asparagus to market, if you flew back empty. If you advertised scheduled trips and solicited cargo from anybody, you became a common carrier, instead of a charter or contract carrier. The pioneers found cargo to fly south and west. Dresses, machine parts, periodicals and medicines were among the offerings. These soon exceeded perishables in volume and the freighters were in the regulated common carrier trade. Thereupon, they went to Washington with petitions for "certificates of convenience and necessity," and the race around the vast halls of the U. S. Department of Commerce building began.

### Many want certificates

THE Civil Aeronautics Board has the duty of determining who shall have certificates to fly as common carriers. It is the Interstate Commerce Commission of the air, operating under the Civil Aeronautics Act of 1938. Before it, claiming all or parts of the right to fly freight, are the old, established air lines; the new postwar all-freight carriers, and the steamship companies and railroads which desire to round out their business with air freight. As side issues, the C.A.B. has to consider the pick-up and delivery services; freight assembling and servicing agencies, or "forwarders"; and air freight tie-ins with truckers or rails for distribution of air freight from fields to non-air-stop cities and towns. Into these side issues are injected the Railway Express Agency, owned by the railroads, and Aircargo, Inc., owned by 19 major passenger air lines.

While Docket 810, the air freight case, has been the big dog fight before C.A.B., many other dockets are pertinent to the problem. For almost two years the Board's trial examiners and public counsel have been wading into and out of thousands of pages of testimony and legal briefs. Meantime the air freight volume grows, rate wars spring up, some operators prosper, others go broke, and yesterday's evidence is obsolete today. The five C.A.B. members have needed a patient and judicial approach to their duties. Exercising such, they have been accused of dilatory tactics. Since the cases began, three new members have been named to the Board, including a new chairman, Joseph J. O'Connell, Jr.

Legal procedure has not been without accompanying propaganda and, some say, lobbying. The certificated air lines belong to the Air Transport Association, of which Adm. Emory S. Land, former chairman of the Maritime Commission, is president. Former Rep. Robert Ramspeck is executive vice president. It has public relations counsel, and so have the larger air lines. The all-freight boys have only a one-man association office, but they have engaged some big name lawyers, including the firm headed by W. J. ("Big Bill") Donovan and that headed by Louis Johnson, ex-assistant secretary of war. Some of the legal briefs are considered pretty fair propaganda in themselves.

The scope of judgment allowed the C.A.B. in granting certificates of convenience and necessity is considerable. The law tells them to promote air commerce, the postal service and the national defense. It requires applicants to be "ready, willing and able" to perform the services they want enfranchised. The Board is to foster sound economic conditions and prevent unfair competition. This scope of duty, while

perhaps "not so deep as a well nor so wide as a church door," certainly suffices to open a wide field of facts and arguments. The trial examiners have listened to almost everything offered.

The new all-freight lines presented the most appealing story, a sort of "pore leetle boys" tale such as Bo McMillan used to tell when he fielded a football team against the "big, rugged fellows." The newcomers were war veterans seeking to build a little business for themselves in the best Horatio Alger pattern. They had struggled, had invested their savings, had pioneered a neglected field of public service. Opposing them were the big, strong certificated air lines, backed by millions of dollars, subsidized by the Government through mail rates, but neglectful of freight service until the brave little fellows showed them the possibilities.

The older air lines had a less sentimental but quite solid factual case. Their seeming neglect of freight had been caused only by war, which took away a third of their planes and pilots and left them just enough to fly the mail and priority passengers. They



Fruits and vegetables, such as these tomato plants being flown by Delta, rate third in load categories

had long studied freight carriage, had served the Army's Air Transport Command and the Navy's Air Transport Service well in war, and were ready now to serve American business in peace. They reach scores of cities not touched by the freight lines. The latter were just trying to skim the cream of the long-haul trade. The old air lines employ 30,000 veterans—several times the personnel of the newcomers.

Also, the established lines are not very profitable,



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and would find survival difficult without the mail contracts. Increasing freight business would tend to reduce mail rates. And the new freight lines need not plead poverty when Earl Slick has Texas oil millions back of Slick Airways, and Bob Prescott has California business men back of the Flying Tiger Line.

As testimony and argument piled up, air freight business piled up. Where did it come from?

The war flying amateurs who surged into it in 1945 picked up many odd loads. A race horse for the Kentucky Derby, an elephant flown from San Francisco to a Chicago zoo, DDT foggers to a polio-threatened community.

There was even a blooded bull terrier in Pittsburgh which was flown by freighter several times for breeding purposes afield.

### Stunts paved the way

PASSENGER carrying was a stunt after the first war. When Eddie Stinson and Hall Roosevelt were putting out the Stinson *Detroit*, a pioneer all-metal, two-motor job, their financial life was saved by a Chicago business man who had missed the Twentieth Century Limited and offered \$1,000 to be set down in Manhattan for breakfast. Roosevelt flew the job, in uncertain weather, and admitted later that he took on a bottle of gin with each 100 gallons of gas, to "prime the pilot."

Air freight was a little like that for a time. When a surplus C-47 that had cost \$125,000 new could be had for \$10,000 or less, it seemed a bargain. When a transcontinental pay load would fetch \$700 and pilot and gas cost \$150, the business looked like a cinch. It wasn't. Maintenance and overhead and 70 per cent idle time and empty return trips spoiled those dreams. The pioneers in air freight found that they must have several planes, established routes, schedules, business management and financial backing. They had to get big or go broke. A few got big and many gave up. There are still hundreds of small operators who sell flying instruction, passenger charters and haul occasional cargo loads. They do not count much in the multimillion-dollar business of today. Not being scheduled carriers, they are not entered in the race for government franchises.

Air freight is now strictly business, and big. Fruits and vegetables have dropped to third place in the load categories. Dress goods, machinery and parts thereof, medicines and biologicals, newspapers

and magazines, sea foods, cut flowers, hatching eggs, prize breeding stock and many other commodities are being flown. Manufacturers are the big air shippers. Wholesalers and retailers are the big receivers.

The florist trade was one of the first to face new conditions created by air freight. Cut flowers flown to Chicago and New York areas from California and Texas upset established hothouse-to-retailer arrangements. On top of that, Pan American and United Air Lines started flying orchids from Hawaii, and the trade began some new head-scratching.

The garment trade has seen the largest use of flying cargo, and department stores in Los Angeles and Dallas get ready-made dresses off the planes which have flown flowers eastward. Fashion-Air, a freight assembling project in New York serving dress manufacturers, is the largest single client of the freight-by-air firms. Dresses are shipped on racks, without packing or unpacking, and slide from plane to truck to display floor in the store.

As it stands today air cargo is about 40 per cent apparel and dry goods, 20 per cent machinery and parts, 15 per cent perishables, and the balance miscellaneous.

### Bigger cargoes on the way

UNTIL 1948 the old air lines used, for cargo, chiefly outmoded passenger planes and extra space in scheduled passenger flights. The new all-freight lines used Army surplus planes. The Douglas DC-3, two motors, became the C-47 when turned to cargo hauling. The four-motor DC-4 became the C-54, which runs most of the "air lift" to Berlin. The first carries 6-7,000 pounds, the second 15-18,000. The Curtis-Wright C-46, two-motor, 12,500 pounds, was the most economical freighter in 1946-48. It is out of production and the CW-32, considered a fine cargo possibility, is still on the drawing boards. The DC-6, modified for freight, is about ready. One of these latter, or some other maker's model, will lift capacity to about 20,000 pounds.

So far, the C.A.B., calm and judicial, has treated the all-freight-carrying lines as experiments worthy of some limited encouragement. The steamship and railroad experiments in flying it has discouraged. Santa Fe Skyway, operated through 1947 with seven planes as a contract carrier, was the first railroad demonstration of ability to perform a "rounded freight service" by ground and air. Neither certified nor exempted by C.A.B. after flying 6,000,000 ton-



miles successfully, the Santa Fe Railway sold its planes early in 1948. The steamship lines earlier sought to establish air feeders, and were turned down. C.A.B. has taken a consistently dim view of surface carriers going aloft. The Sea-Air Committee then asked Congress to amend the 1938 statute in favor of sea-air operations. The Santa Fe, Burlington, New Haven and other rails interested in air freight apparently must either try again, before the reconstituted Board, or go to Congress for new law.

In the dog fight between the combination carriers and the new all-freight lines, the first victory was to the latter. The minimum air freight rates fixed by C.A.B. in April, 1948, rejected any idea that surplus space on passenger carriers was "free space" or nearly so. Fair rates must treat freight as a business in itself, and not let passenger and mail business help carry its cost. The basic minimum rate was fixed at 16 cents a ton-mile for the first 1,000 t.m. and 13 cents thereafter. Two years earlier the tariffs offered ranged around 25 cents and up.

Six of the freight lines also won a recommendation from the trial examiners in the big case. Blocking out seven major areas centering around New York, Chicago and Seattle in the North and Florida, Louisiana, Texas and California in the South, the examiners said that the Flying Tiger Line, California-Eastern, and Slick Airways should be certified for transcontinental routes and U. S. Air Lines and Willis Air Lines for north-south routes, and Airnews for its Texas venture.

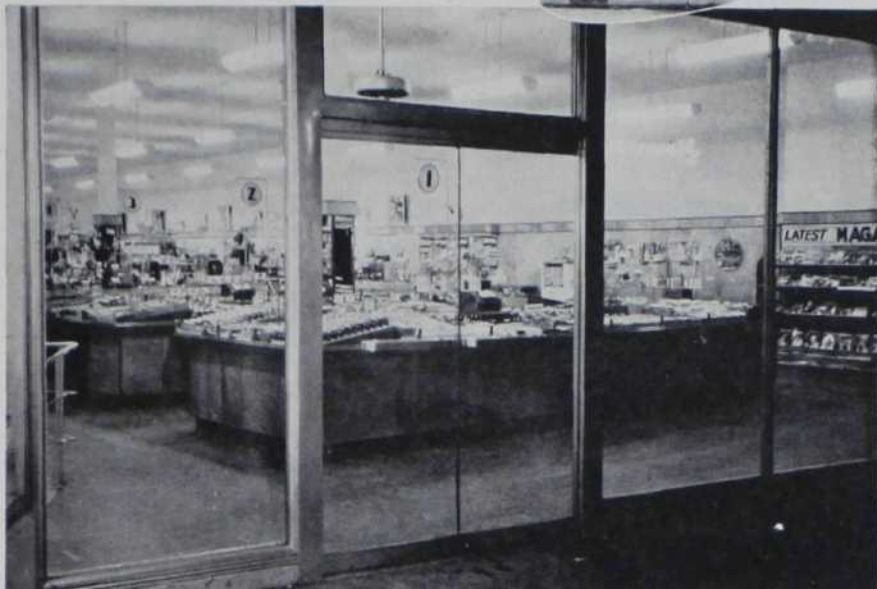
### Better financing seen

IF the Board supports the examiners' findings, the lines that get certificates will probably do some fairly large financing.

The established air lines have not taken the examiners' reports lying down. They have argued before the Board, offered new evidence and shown every determination not to let the top gray part of the business go to their rivals. They service, by two or more competing air lines, every point sought to be served by the freighters, and they claim to service these and many other points more efficiently. C.A.B. may render a decision, or parts of one, any day now. Whatever it does will not be final. Competition will grow as the air freight traffic expands. New petitions will go before the C.A.B., and new amendments before Congress. The rat race will not soon be over.

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## Rough Selling for the Navy

(Continued from page 41)

to overrule the Air Force, and the present joint chiefs is dominated by Adm. William D. Leahy, who represents the President.

As this is written, it is not known whether the strategic carriers, first of which has been contracted for, will be completed, and whether the Navy will become a strategic air force. The decision probably will be made by the next administration and the next Congress, and on this decision will depend the size and character of the United States Navy and its role in a possible third world conflict.

Whatever the result of this conflict, the Navy is likely to remain an astonishing agency of government—even in the atomic age. It is so big, powerful and expensive that peacetime comparisons are lacking. With the small British Navy we now possess virtually 100 per cent of the naval power of the world.

### Navy had rapid growth

IN 1939 the Navy, already the world's largest, cost \$700,000,000 a year. The appropriation in new money for fiscal 1949 is \$4,500,000,000, but the Navy is spending more than this since it is still "living off the shelf" from the war years.

The 1949 payroll is \$1,500,000,000 paid to 530,000 men and women in uniform. The average salary comes to approximately \$3,000 a year, and this doesn't include food, housing, clothing, medical service, etc.

The Navy in 1949 will spend \$490,000,000 maintaining its active fleets; \$580,000,000 maintaining its shore establishments; \$230,000,000 on supply; \$250,000,000 for research and development; \$135,000,000 for material improvement; \$327,000,000 training the naval reserve; \$50,000,000 for overhead administration; \$96,000,000 for pensions; \$630,000,000 for new plane construction; \$280,000,000 for shipbuilding; and \$100,000,000 for public works.

The Navy has 2,051 vessels of all sizes now in the mothball fleets. Included among these are 15 modern battleships which were built at a cost of \$104,000,000 each. Two more superbattleships, the *Hawaii* and the *Kentucky*, are under construction but work has been suspended temporarily. Only one superbattleship is now in commission, and the Navy command has

not decided how these ships are to be employed.

At the conclusion of the war we had more than 60 aircraft carriers, most of which are now in mothballs. Two new *Midway*-type carriers have been completed since the war.

New construction—other than the strategic carrier—authorized for 1949 includes two supercruisers, four superdestroyers, six high-speed submarines and three anti-submarine submarines.

The Navy's army—the Marine Corps—is now larger than was the Army's army in 1935.

Navy costs have spiraled phenomenally. The frigate *Constitution* cost \$350,000, which is the present cost of a PT boat. The *Oregon*, which made the famous run in '98, cost \$6,500,000, which is the present cost of a small submarine. Since 1939 the cost of a destroyer has increased 600 per cent; the cost of a fighter plane has increased 1,500 per cent. Personnel cost has tripled.

Electronics has increased Navy expense enormously. The smallest ships must be equipped with radar, and all the expensive, new-type guns, firing more expensive, new-type ammunition, are aimed by expensive electronic equipment.

Any government agency which spends money like this is difficult to curtail. Moreover, the Navy salesmen still have powerful allies both in government and industry.

Since the Navy was created primarily for the protection of commerce, it has, from the beginning, maintained the closest ties with industry. In most of its battles for appropriations it has had the support of many business interests.





John L. Lewis has spoken out for the Navy more than once.

In the battle over the strategic carrier this year the Navy was supported by Sen. Harry F. Byrd, the Virginia senator who usually votes on the side of economy.

Development of its air force has enabled the Navy to spread its spending into remote congressional districts which it could never reach as a fleet. The great naval air training centers are in places like Olathe, Kan., and Norman, Okla. One of the Navy's strongest new supporters in Congress is Sen. Edward V. Robertson, vice president of the Wyoming Stockgrowers Association.

Under President Roosevelt the Navy felt that it had its strongest advocate in the White House. The President had been under secretary of the Navy; he loved the sea; he liked to fish off battleships; and his Uncle Teddy had built the "Great White Fleet" and sent it around the world. It was Mr. Roosevelt who installed Admiral Leahy in the White House and gave him unprecedented power.

#### Provides sea travel

THE Navy maintains the yacht *Williamsburg* with 74 officers and men for the use of the President. It maintains the cabin cruiser *Margaret* with seven officers and men for the use of the President's personal staff. It maintains and guards "Shangri-La," the presidential playground in Maryland's Catoctin Mountains. At Bethesda Naval Hospital it provides medical care and hospitalization for all important government officials at nominal cost.

With its pilot recruiting program the Navy is expanding rapidly in the colleges. A small state university, like the University of New Mexico, can realize as much as \$100,000 a year out of a Navy contract. And university officials are invited to ride Navy airplanes to Pensacola for a week-end vacation at Navy expense.

In short, our Navy is 150 years old and its tradition as a gallant fighting organization is secure. But more than tradition is required to woo billions from an economy-minded Congress when we have no prospective maritime enemy. If the Navy continues apace, objective historians of the future may note that its accomplishments in the field of high finance rival its record of performance on the high seas. Its renown for seamanship may be surpassed by its fame for salesmanship.

## HOW IS *Inflation* AFFECTING YOU?

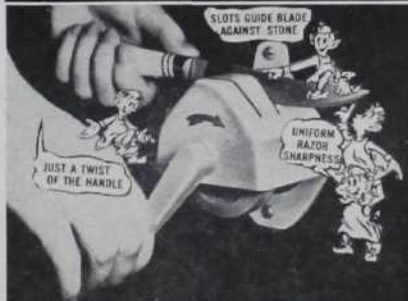
Economists measure inflation by the price index. But for you and me the measure that counts is the relation of food, clothing, rent, medical expenses to present salary. Are you better or worse off than in 1930? Henry Pringle answers some questions on inflation effects by citing actual cases among miners, engineers, accountants, teachers, and business executives. See how they fare and compare in "That's Where Your Money Goes".

## ARE YOU *Really* TIRED?

Do you want to sleep all the time? How about that slump after lunch? Are you worried about slipping? Maybe you're simply a victim of middle-age fatigue. Want to know what you can do about it? Read Greer Williams' "You're Not as Tired as You Think". Mr. Williams is one of America's foremost medical writers.

## IN *December* NATION'S BUSINESS

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# On the Lighter Side of the Capital



## What Hoover found out

CLARENCE BROWN, representative from Ohio and member of the Hoover Commission, reports it has been discovered that in the make-up of the Government there are:

"Seventy-five different agencies dealing with transportation problems, 15 with housing, 14 with forestry, 34 that can acquire land, 65 compiling statistics, 93 lending government money, 37 in foreign trade, six in business relations, 22 engaged with insurance and 44 with agriculture."

Representative Brown recalled an occasion when Morton Downey sang at a Press Club lunch. At three o'clock the singer shook his head and remarked, "Two encores are enough for chicken à la king."

## Army's neck sticking out

RETIRED officers of the armed forces have had the right to tell their stories in print if they wished, subject only to censoring as to fact. If the higher brass questioned a statement, the author could not be prevented from publishing it.

Nor can he be prevented now. . . . Except that the word has been sent out that anything that might tarnish a bright helmet must be stricken out. Manuscripts will not be approved if they contain criticism of superior officers or strategy. One certain result is that Congress will ask questions. Some members have grown tired of reading American news under a foreign dateline.

## The too honorable drunkard

THE LEGISLATURE was in session in Columbus, Ohio. The election of Mark Hanna to the United States Senate depended on the swing of a single vote. This important member of the Ohio House was a loyal

Republican and a devoted follower of Mark Hanna, but with all his honest heart he loved his whisky. His nearest friend was Jack Williams, reporter on the Cincinnati *Enquirer*, devoted Democrat and dry as Los Alamos. Everything went in politics. The legislature was to meet at ten o'clock of a morning to elect a United States Senator.

"Take this money," said some rich suborner to Jack Williams, "and get your Republican friend drunk and keep him drunk until Mark Hanna is licked."

But the whisky made in those days was smooth as cream, kind as a mother, without a crooked thought in a carload. Jack Williams awakened at half past nine on the fateful morn, beheld his Republican friend asleep on a sofa, reeled into the chill streets of Columbus, found a horse-drawn cab. At five minutes to ten he staggered up the center aisle of Ohio's legislative hall and dropped his friend into his padded seat and went to sleep on the carpet just as the Republican organization of the state seemed about to go up in smoke—and Hanna was in.

## Continuing to philosophize

THE OLDTIMERS regard the present through the light left by the past. It is considered probable that the President-elect will have a certain number of head-on collisions with Senator Taft.

"Not that either is belligerent or that there is any personal feeling between them. It is only that the leader of the Senate is, under our plan of government, almost as responsible an official as the President himself. The Senator is as Taft a Taft as his father was before him. "Let me"—said the Senator—"tell you a story."

William Howard Taft was on



board the train on which he was endeavoring to make his campaign for re-election as President. His campaign manager came to him just as the train was rolling into a station.

## Why stout hearts break

"BILL JONES is two cars ahead and coming this way. Now listen," his manager advised. "If he gets busy, you'll carry the state like a bucket of water. Now listen! You met him in Washington. You remember his story about the old sailor. His wife isn't with him but ask about her. He has two pretty daughters but you didn't meet 'em and you slap him on the back. He loves it."

Eventually Taft's manager put a hand on his shoulder and the other hand on the shoulder of a bleak old man and beamed at both.

"You and Bill Jones ought to sneak into the stateroom and have a little powwow. . . ."

William Howard Taft shook hands cordially.

"You know," he said warmly, "they have been telling me that I should remember you, but for the life of me I can't."

## The Census Bureau says

THE GIRL in government service makes almost twice as much money as her counterpart in private employment. But the young lady across the way reports that the girls keep popping out from beneath Uncle Sam's wing.

"I popped three times," she explained. "When I got hard up I went back for that nice government pay, but I couldn't take it very long."

The boss always had a swelled head, she said. He always had a telephone on his desk but when it rang he couldn't possibly lift the receiver. Always the secretary had to handle it and thereby show that the boss actually had a secretary. Ask any secretary, she suggested.

## Estate tax laws coming up

THREE pending cases raise the question: How far may a taxpayer go in giving away property before death in order to keep it out of his taxable estate? The commissioner of Internal Revenue raised the question originally. Any layman would promptly go mad trying to understand it. Conflicting decisions have been rendered by the U. S. Tax Court and several U. S.





Circuit Courts of Appeals, and perhaps other courts. Throughout the web appear references to bygone decisions of the U. S. Supreme Court itself and precedents and contentions without number.

### In the third corner

NOT THAT the fun and games of the near future will be confined to the executive and legislative corners. There are cases on the docket of the Supreme Court which might bring the habitual slow boil of that dignified tribunal to a brisk sputter. When a man crosses the 60 line he is apt to become mildly irritable on occasion. The nine of the Court have tempered their weapons in many fires. Their experiences, likes, beliefs and trainings differ. If common report may be trusted, one goes for night clubs, another is an outdoorsman at heart, a third watches politics, a fourth is a devotee of abstract law. . . .

"As congenial as fighting cocks," reminded the Senator.

### \$0.016 worth of Indian land

REP. John C. Butler seems to have discovered the original Lo, the Poor Indian. He is one of the heirs of Akipa, a Sisseton, who died in 1891. The appraised value of his estate was \$1,200, but by 1939 the Bureau of Indian Affairs had spent \$2,400 in connection with the probate proceedings. If the estate were sold at the appraised value some of the heirs would receive as little as \$0.016. But the Bureau does not usually issue checks for less than one dollar:



"If this practice is followed it will be more than 1,600 years before enough funds will have accumulated to the credit of a particular heir so that a check may be issued."

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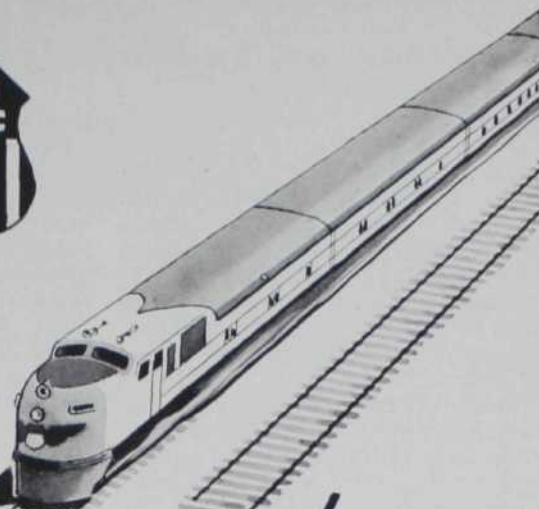
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### "CITY OF PORTLAND"

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For travel to and from the West—at its very best  
—Go UNION PACIFIC

**UNION PACIFIC RAILROAD**  
*Road of the Daily Streamliners*



## When an Ex-President Starts Over

(Continued from page 38)

Fillmore became the first chancellor of the University of Buffalo, Hayes a trustee of Ohio State, and Taft returned to the Yale campus as Kent Professor of Constitutional Law. Taft later served on the National War Labor Board, however, and in 1921 was appointed chief justice of the U. S. Supreme Court by Warren G. Harding.

Many of the retiring Presidents, exhausted by the tremendous pressure, have preferred to slip quietly into civilian oblivion on their tree-shaded estates—Jackson at the Hermitage, Jefferson at Monticello, Washington at Mount Vernon, and Hayes at Spiegel Grove. But there have been other Presidents who left Washington with fire and spirit still rumbling in their blood. The tired men could rock on the porch of retirement, but there was nothing these turbulent ex-Presidents would rather be than President. Both Grant and Franklin Pierce toured Europe. However, Pierce was happy to retire to Concord after a short voyage. Grant posed a problem for the Europeans who could neither accept him like one of their own ex-royalty, nor treat him like a tourist.

Grant meanwhile kept a weather eye on the White House, and was advised by political friends at home to wait in Europe until the eve of the 1880 campaign, then ride into the convention on a wave of welcome. He disregarded their advice, returned in the fall of 1879,

and failed to win the nomination. Absolutely broke, Grant was grateful for a fund of \$250,000 which was charitably set up for him by his admirers. It wasn't long, however, before the securities collapsed, the income failed and Grant went into the brokerage business.

But the ex-commander-in-chief of the Union armies, and ex-President of the United States just wasn't successful as a business man. His firm went bankrupt and Grant was forced to pawn his swords and souvenirs to maintain himself. After a long political tussle, Grant's generalship was finally revived. Surviving on his pension, he wrote an article on the battle of Shiloh for *Century Magazine*, which proved so successful he started work on his memoirs.

Teddy Roosevelt began his first post-presidential months quietly enough, writing for the *Outlook*, *Metropolitan Magazine*, and the *Kansas City Star*. Then, late in 1909, the same year he left office, he organized a big-game expedition to East Africa. He emerged at Khartoum in March, 1910, and made his way to Europe where he visited the Kaiser, lectured at the Sorbonne and at Oxford, and then represented the United States at the funeral of Edward VII, a formal state affair in which he cut a mighty swath. Returning home in June, 1910, he received such a tumultuous reception, it stirred his political bones.

Plunging back into politics, he

campaigning for Henry L. Stimson as governor of New York and two years later tossed his hat in the presidential ring. After a dispute with Taft and Elihu Root, he bolted the Republican Party which had nominated Taft, and ran on the Progressive Bull Moose ticket. He led Taft in the voting but the split Republican ticket opened a path for Woodrow Wilson's victory.

Shot by a fanatic in October, 1912, Roosevelt recovered, lost the election and took off again, this time for the wilds of Brazil. He discovered the River of Doubt and, after some hair-raising experiences, returned home as World War I started. Campaigning for U. S. entry, he besought the Army, when Wilson declared war, to let him organize a volunteer division with himself as brigade commander. The request was turned down and petulantly he stayed home to write and pave the way for a return to the presidency on a United Party ticket in 1920. He died in 1919.

### Cleveland regained presidency

THE only man ever to satisfy the ambition of so many ex-Presidents was Grover Cleveland who was defeated after his first term, but returned to the White House four years later. Defeated in the election of 1888 on the issue of tariff reduction, Cleveland returned to his law practice in New York, and spent his summers fishing. The McKinley tariff policy proved unpopular, and as the Democratic nominee in 1892, Cleveland beat the ticket of Benjamin Harrison and Whitelaw Reid. He retired to Princeton after his second term and became a trustee of the University. President Theodore Roosevelt once made use of Cleveland's experience by calling on him to help arbitrate the anthracite coal strike of 1902.

Herbert Hoover, our only living ex-President, returned to public life when he established, at President Truman's request, the Hoover Commission to study government efficiency.

For a few, the time remaining after their White House service was pitifully brief, and for one, his post-presidential activities made him so hated that he lay for 50 years in an unmarked grave.

James K. Polk lived only 15 weeks after serving as President; Chester K. Arthur only two years. Woodrow Wilson completed his two terms so broken in health that he had to abandon his part in the inauguration of his successor.

"The Senate fell down on me,"





he said, "but I am not going to let it see me fall down."

The man who did fall down was John Tyler. Thrown out by his own party, he served for a while as a road supervisor. Then, with the Civil War he became a member of the Confederate Congress, a service which brought him such infinite disrepute that it was not until 1915 that the Government erected a monument for him.

Perhaps, of all the 25, the man who made the most successful ex-President was Hayes. In spite of an administration so tempestuous that Robert Ingersoll was able to quip, "He went in with a majority of one and came out unanimously," Hayes returned to private life bearing no malice, "looking forward to the freedom, independence and safety of our home in the pleasant grove at Fremont."

### Busy in social work

FORGETTING whatever personal troubles that might have haunted him, he threw himself into social work. As commander-in-chief of the Military Order of the Loyal Legion, he helped ex-soldiers; he was president of the National Prison Association; trustee of the Peabody Educational Fund, and president of the Slater Fund, both established for the benefit of southern education. He was a trustee of Western Reserve, Ohio State and Ohio Wesleyan universities; a pioneer in urging more stress on subjects of practical importance.

"I thought," he said, "that when I laid down my official cases, I should have a tolerably easy life, but I have been kept about as busy for the past ten years working for other people as I ever was in my life. And I don't deny that I enjoy it."

To Hayes, then, the man who did it best, our future ex-Presidents might well turn for comfort and advice. For them Hayes left this message:

"The question is often asked, 'What is to become of the man?' What is he to do?—who, having been chief magistrate of the Republic, retires, at the end of his official term, to private life. Let him, like every other citizen, be willing and prompt to bear his part in every useful work that will promote the welfare and happiness of his family, his town, his state and his country. With this disposition, he will find enough work to do and that sort of work which yields more individual contentment and gratification than belong to the more conspicuous employments of the life from which he has retired."

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## They Know What You Like

(Continued from page 44)

First of all is the subject matter test, which actually tries out the story in advance on a cross section of the audience. With "The Best Years," the guinea pig movie fan got a card that read:

In a Midwest town, an Air Force hero tries to resume life as a drugstore clerk. A battle-scarred sergeant returns to his polite job in a bank, and a wounded private finds he hasn't much to come home to. When the three realize that the town hasn't changed much but they themselves have, they help each other find a new future.

"Would you like to see this picture?" the poll-taker asks. Replies are converted into an all-over index figure which, compared with other pictures, gives an advance indication of how strong the movie will be. If the answer to the question is "Yes," the interviewee is asked, "Why?" The answers to this "Why?" often determine how the picture will be advertised—whether as a comedy, a romance, a "boy-meets-girl," action or adventure.

### Picking a title

NEXT on our list is the title test. Before "The Best Years of Our Lives" was chosen, 13 titles were tried out in 13 separate tests. In each case, a title was listed on a card and the question was: "Would you like to see this movie?" The percentage of "yes" answers determined the index figure. The original title, "Glory for Me," rated lowest.

Probably the most important indicator of all is the "want-to-see" test: The man in the street is shown another small card listing the title, cast and theme.

The question is: "Would you want to see this picture?"

A single point in the want-to-see index is worth about \$200,000 in the box office. Changing the title brought up the rating by three points—\$600,000. When, during the tests, Fredric March was substituted for another well-known actor, the want-to-see came up seven points. This meant another \$1,400,000. Thus the studio raked in a cool \$2,000,000 by these modifications alone.

In one of the most interesting tests, a cross-section audience is

actually brought in to see the completed movie before its release. It is here that the audience registers its reactions to the various sequences—on what is known as the Hopkins Televote machine. On the arm of every chair is a dial with five markings: "very dull," "dull," "neutral," "like" and "like very much." According to the way he feels about the sequence he is seeing, the fan can turn an indicator to any one of the five markings. All the dials are hooked up to a central calibrating machine which registers the mass opinion of the audience on a moving strip of paper. The result is a graph which traces the fans' highs and lows of enjoyment in a graph much like the one that shows the ups and downs in the stock market.

In the subject matter test, "The Best Years of Our Lives" scored the highest of any movie ever tested. Other tests on the film were also in the top brackets. Advised accordingly, Goldwyn was able to plan his exhibition program for the biggest possible take. As a result it turned in one of the largest first-run grosses on record and then went right on topping the marks in the second- and third-run houses. Now nearly played out, it promises to be a contender for the largest gross in film history.

"With a big picture like this," Wolcott explains, "the trick is to get the penetration—that is, reach the greatest possible number of people—before it is generally released, and then get the big take in the first-run houses where the prices are high. A picture goes through its first run so fast that it





ought to pick up everything it can there in order to make a big profit."

An indifferent picture that is widely advertised *can* make a killing in the box office. And conversely, many a gem of the cinema fails to show up in the profit column because of flaws in its handling. It seems to be largely a matter of advertising and distribution. "Duel in the Sun," for example, was the butt of many extremely unkind remarks from some of the better movie critics. But a huge advertising budget brought it up high in the box office rankings. On the other hand, "Great Expectations," an English picture of high quality, had disappointing returns because it was not more widely advertised.

As a result of the tests it runs in the trial communities after a picture has started its run, Audience Research can give producers valuable tips on how to reach the greatest number of people with the least possible advertising outlay. It saved one film company more than \$75,000 and another more than \$100,000, says Wolcott, simply by showing them how to cut unneeded advertising. Specific figures on such matters are kept in a "top secret" file, but he says that, in general, his company has helped clients increase their revenues by a total of many millions of dollars.

The company claims to be the only independent survey organization of its kind operating in the movie and book publishing businesses. In radio, extensive market research of a quantitative nature is conducted by networks, advertisers and ad agencies, but Gallup claims to offer the only full line of services in its particular type of qualitative analysis. Audience Research operates on radio shows in much the same way it does on movies, using pretty much the same kind of tools.

### Standing of radio stars

AN AUDIT of stars is again conducted, only here the statisticians not only rate a star in the present tense but look into his past and future. They plot the positions of the stars on a chart so that each falls into one of four quadrants: "success," "young hopeful," "doubtful" and "dim future." With this chart, the company was able back in 1944 to point out rising stars like Art Linkletter, the late Tom Brene-man, Jo Stafford and Evelyn Knight, and predict their success with a fair degree of accuracy. On the other hand, Rudy Vallee, Kenny Baker and Dick Powell fell into its "dim future" quadrant

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and, true to these predictions, are no longer on the air.

The company offers various kinds of service in radio, but in most cases the end is the same: to reduce the risk for the man who is putting up the money for the show—in this case the sponsor. Network radio shows are expensive things. The Bing Crosby show, for example, costs \$50,000 a week and very few half-hour shows will run less than \$15,000. Since he can't buy less than 13 weeks on the networks, the sponsor thus faces an initial investment of something between \$200,000 and \$700,000, counting the extras, for his trial run. But after Audience Research has conducted a running series of tests to find out what the listeners like in the way of story, title, star and music, he can mold his show accordingly.

Gallup analysts find that a program like "Grand Ole Opry" is popular with a rural audience. Truth to tell, of course, "Grand Ole Opry" is what is known as a hick show, so what could be more natural than to have it sponsored by a maker of "pipe tobacco"? On the other hand, "Cavalcade of America" appeals to a more sophisticated audience in the cities and, for this reason, is chosen by Du Pont as a prestige or institutional program.

In the book field, Gallup mainly tests subject matter or story appeal, which he says is about the same thing as testing amusement value, since most people read for entertainment anyway.

"There are those who feel you can take any subject and make it interesting," he says, "and it's true that a good job of popularization can widen any audience. But it all boils down to this: one book is a popular topic and another isn't."

## Young folks read more books

IN THEIR surveys of the "book audience," the Gallup experts were surprised to find that book reading is more extensive among people under 35; that after 35 it declines steadily year by year. They were also amazed to learn that the average college graduate in the United States reads less than half as many books as the laborer in England.

Most people would like you to think they read better books than they do. They are always trying to give interviewers the idea that they pore over Dickens when they actually gobble "Forever Amber." This gives the Audience Research people a headache they call the "prestige factor." To offset it, they have to set up control questions so

that the questionnaire will come out with the naked truth.

Gallup's most extensive book job so far has been for Bantam Books. Here he tests the cover illustration, the title and perhaps a theme line telling what the book is about. The object is to find out what package will sell highest on the newsstands. Ian Ballantine, Bantam's publisher, says Gallup's work has been highly valuable and has allowed him to bring out such things as John Hersey's "Hiroshima," a long shot which he wouldn't otherwise have dared to venture.

## Book clubs use surveys

GALLUP has done extensive pre-testing for the Sears, Roebuck book clubs. In this case the job was simple. Books were merely sent out in advance to a segment of the club membership and the high scorers were chosen for distribution.

One of Gallup's most interesting assignments, he says, has been to investigate Book of the Month Club members and find out just what kind of people they are. The Club keeps his findings pretty confidential beyond the fact that most members are college graduates, good earners, married people and parents. The Club uses the information to decide how to merchandise its large stock of selections among the members. Club spokesmen stress the fact that the judges never see any of the survey material lest it fog up the atmosphere in which they work.

Selling and distribution of books is still in a pretty primitive stage in this country, in Gallup's private opinion. He thinks the publishing business as a whole would be in something better than its present doldrums if publishers would avoid costly failures by sizing up the demand for a particular book in advance and fitting their merchandise to the audience. And—as in the case of the movies—this isn't saying that publishers should put out only books appealing to the mass taste, he is careful to point out. It's more a matter of getting the right book to the right reader.

Gallup is fond of quoting a remark attributed to film producer Nicholas Schenck:

"There's nothing wrong with the movie business that a few good pictures won't cure."

"That's all very well," Gallup interpolates, "providing the public knows they're good. And the same thing is true with books. It's all a matter of doing a good job of distribution—finding out who likes what and making sure he gets it."



## Ah, Sweet Mystery of Strife

(Continued from page 46)

against the czar, would be guerrillas and bomb-throwers. But who could have foreseen that these men should in the end have made it difficult for the United States and Russia to understand each other, and so bring the threat of a third world war. Is a hint to a law of basic behavior to be heard in the maunderings of psychopaths?

The clues to the new laws are hard to find.

Some scientists refuse to bother with the microscopic method and boldly hunt for possibilities with the telescope. Maj. Gen. G. B. Chisholm, executive secretary of the World Health Organization and recipient of almost every honor that Canada can bestow, has said that moral standards differ among ethnic groups and that "unnecessary and artificially imposed inferiority, guilt and fear, otherwise known as sin, produce much of the social maladjustment and unhappiness in the world." Instead of teaching moralities and rights and wrongs, he says, "we should protect the intellectual integrity of children. Freedom from moralities means freedom to observe, to think and behave sensibly, to the advantage of the person and the group. . . ."

He has said that war is a consistent behavior pattern of man. "We have messed up every aspect

of living; no other animal on earth has made such a mess of it."

For example, why is the color line drawn?

Libraries are filled with arguments that it should not be drawn, but the line is in every country. Some examiners theorize that it is an artificial line which is kept stretched by the elders.

### No natural caste

THE hypothesis is that if a dozen colored babies and as many white babies were penned up together and no grown-ups were admitted, the youngsters would grow up in blissful ignorance of any caste or color distinction. The theorists admit that it can never be tested because adults must feed the babies and keep them clean. It is not regarded as probable that a working force could be assembled, each member of which would be free from race prejudice. Each nurse might be absolutely convinced of her own impartiality. Yet the fact that the nurse was aware of the existence of the line would inevitably color her acts.

"She might treat her little charges exactly alike but she could not avoid betraying her knowledge of the differences by intonation or glance. If the baby camp were in the swamps of Nyasaland, and the nurse secretly considered that the

white babies would be in trouble when they grew up—well—there you are. Her sympathy would be felt and there is the color line, good as new."

The argument is that we are molded by association. Some of us break the mold. Can a law be found to explain these intellectual freaks?

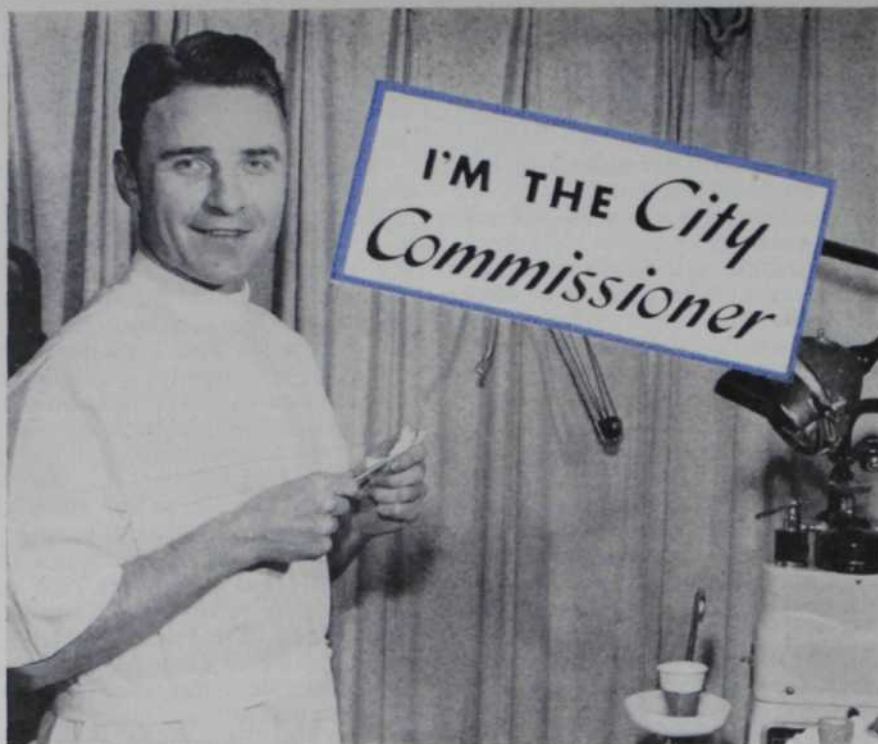
A pianist named Blind Tom used to play the opera house circuits in the Midwest. Tom's nearest evidence of intelligence was that he liked applause so well that when he was led on the platform he would start the handclapping himself, grinning from ear to ear. But he could play like an angel. He could play any piece after hearing it once and better it. He could not remember his own name half the time but he never forgot the title of a piece of music. Similarly, a Texas imbecile remembers names and dates and figures with absolute accuracy.

That phenomenal memory is all he has.

Today we are seeking the basic laws of human behavior through the study of individuals. Kindergartens are invaded by scientists with stop watches and form sheets and the innocent actions of the tots are clocked as though the youngsters were race horses. Adult knee-jerks are painstakingly timed as the knees are tapped with rubber hammers. The nonscientific mind is likely to query whether a slow jerk was the fault of a tired reflex or a fatigued scientist. Customers roll their eyes from point







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to point and a man with the timer records the fractional seconds.

These things are trifles but the study of the trifles may eventually discover an hypothesis which may point to one of the basic laws governing human behavior.

A man lies on his right side when he goes to sleep. Presently he rolls over on the other side. He is sound asleep, he has no ache or pain, he is perfectly comfortable. Yet he rolls over. One examiner has a theory that political changes may be due to the same relative fatigue that leads the sleeper to turn over in bed. Relative fatigue is not exhaustion. Rather, it prevents it.

"The body politic seeks a change in government or in social or economic conditions, not because the present is really unendurable but to shift the pressure."

Hollywood's stars gallop in and out of marriages, go swimming in \$500 gowns, have one-punch scraps in the Brown Derby.

### Temperaments are varied

BUT—shucks—we all have temperaments and differ only in degree. Some of us are excitable and cheerful, lively as squirrels, always on the go. Papa may be of the phlegmatic type but if Mamma bounces he might as well sell his carpet slippers and get a scooter. If the brute responds to her impulses with an "Aw, gee, Betsy. . . ." she will keep on nagging until she breaks up his evening by the fireside. Not that she means anything by it, really, but she simply has to keep on doing something. Unfortunately a phlegmatic may have an astonishing capacity for absorption hooked into a creeping explosion. He does not start easily but he keeps on going long after he has socked her all that she should be socked. Marriages really should be typed so that gallopers are mated with gallopers and the stay-at-home types yoked together.

There isn't any way of doing that until science has worked out some way of controlling love. Kisses in the dark carry more heat units than a college full of dogma.

Now and then something is discerned which might offer the scientific age a clue to the desired laws governing human behavior.

A swindler out West once stole an elephant from a small-time circus. He was handicapped in his movements because she insisted on sitting in ponds during the hot summer days. She would not walk on the concrete roads because they hurt her feet. He did not have a thin dime and had to talk farm



wives out of meals. Yet he got to St. Louis and sold the beast.

The explanation is that he seemed at all times to be sure of himself.

"An outwardly insecure swindler would have little chance of success."

The man who took an Eastern lawyer for more than \$100,000 did not even bother to invent a variation of the old Spanish prisoner racket. Some men lie because they are weak and frightened, but there is an identified class who lie because they enjoy it. They take enormous enjoyment in inventing grandiloquent, detailed, plausible lies and do not so much as blush when they are exposed.

Some generalizations have been made.

Crime reaches its peak at age 25. Then the bad boys often settle down and become good citizens. Edgar Hoover's FBI statistics bear this out. Professional criminals are likely to be undersized and unhealthy. It may be that they take to criminal pursuits because they feel themselves unequal to their normal associates. This does not apply to swindlers, who are likely to be well-conditioned physically, handshakers and socially adaptable.

"Happy people are not wicked."

### Some are easily irritated

FURTHER assays of the human metal find an irritable type. They are agin everything from the Government to the preacher. They quarrel because they love it. Ill-humored people rate between the irritable and the gloomy. One man may be everything that he should be until something goes wrong. Then he beats his wife.

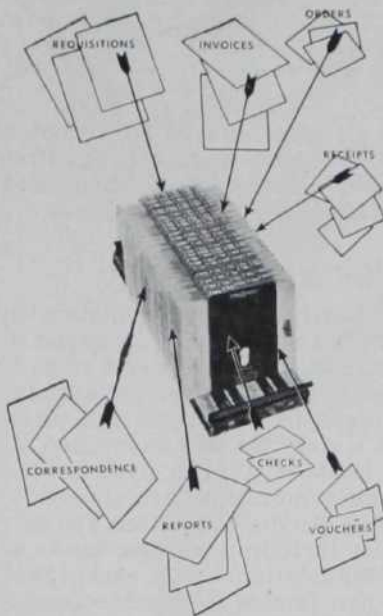
The hairline ratings might be extended indefinitely—and have been—but to the nonscientific mind it appears that each of us is unlike every other one of us. It is possible often to find the reason why after something has been done, but it does not appear that any way of preventing it has been found. Maybe the Ashantis, who are wild and black and warlike, have come as near working out a law of human behavior as have the scientists. When an Ashanti whispers a little mean gossip about his neighbor he is paraded down Main Street behind the town crier who is beating a drum. A man with a whip follows the pair and at every boom of the drum he pops the gossip with a rawhide.

Even there the law does not always work. Ashantis still gossip.

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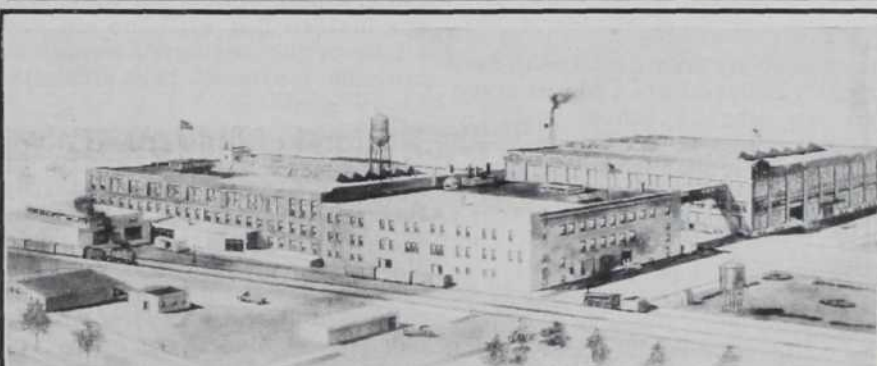
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# By My Way...

By R. L. DUFFUS



## Apples shouldn't be too red

I DO NOT approve of the action of the New Jersey Department of Agriculture in suggesting wax and chemicals as means of making apples look red when they are not red. Apples shouldn't be red all over, anyhow, and if they look red they should taste red, which wax and chemicals will not make them do. If a boy can't make an apple look nice enough to take to his schoolteacher by rubbing it on his sleeve he should eat that apple and get another for his teacher. This



used to be my practice—and in fact I don't believe I ever got an apple all the way to school uneaten. Apples weren't painted in those days—nor schoolma'ams, either.

## The best-laid plans

IT'S curious how the plans one makes creep up on one and overtake one. Thus, I was as surprised as could be when my wife and I found ourselves making a post-season trip to Quebec. I was as surprised as I would have been if we hadn't made any plans at all. We even had reservations, and keepers of hotels and other places of lodging and entertainment for man and motorcar seemed to expect us when we drove up.

## The Vermont character

AS WE scooted through Vermont (my native state) I tested the Vermont character by offering tips whenever a man at a filling station gave our windshield a really good wipe. As far as I can tell the said character is just about holding its own. That is to say, one man refused my quarter and another, at another place, took it. But maybe this latter individual's character

was all right. Maybe he accepted his bonus because he was sensitive as well as strong and silent and didn't wish to embarrass me.

## Lodging for the night

THE North Country is replete with tourist cabins, usually arranged in neat rows where there is a view. It is also replete with hen houses, also arranged in neat rows and often with a view. The old days when all the hens on a farm lived in one big girls' dormitory are apparently gone. Anyhow, we often had difficulty in telling the two kinds of accommodations apart, except that the hen houses were sometimes a bit bigger. If I had been alone I might easily have found myself roosting on a bar in a hen house (and I don't mean *that* kind of bar, either) and wondering what was the matter. But with the aid and advice of the intelligent woman at my side I avoided this difficulty.

## The land of little speed

BETWEEN Quebec and Murray Bay we drove up and down some hills that it appeared to me would shed water all right but were not really designed for motorcars. The natives and the lingering American visitors made light of my apprehensions. If you get used to driving up and down the sides of barns, they argued, you don't mind. You can drive and go on talking. Your legs don't even shake much. But what I started to comment on was the sign that frequently appeared at the top of such hills: "*Petite vitesse.*" The Government of Quebec translates this expression into "Low gear." I am more literal. I translate it "Little speed." And little speed was one of the lovely things about downriver Quebec. The people got things done but they didn't hurry.

## Fun with French

TWO years, or a bit less, back we went to Guatemala and had fun with Spanish. This year, in an area in which 90 per cent of the

population speaks French as a first language, we had fun with French. I am always astounded when anything I say, or try to say, in a foreign tongue is understood. I am even more astounded on the rare occasions when I understand anything that is said to me in a foreign tongue. But we got along, though perhaps I did say "I have a wife" when I meant to say "I am hungry." I studied French in high school, long before the young people of Quebec were born. It humiliated me to find that they all spoke it much better than I do. Something must have been wrong with the system under which I was taught. The way to learn a language, I believe, is to arrange mat-



ters so that the pupil won't get anything to eat unless he asks for it in that language. Well, we did get something to eat—even beefsteak and roast beef at prices I won't mention here because they wouldn't be believed.

## Ye olde hot dogge stand

AS WE jog through strange countrysides on trips like this one to the Province of Quebec my wife and I make notes for an encyclopedia or something we some day intend to write. Thus: south of the St. Lawrence there are not as many rocks as there are in Connecticut, but north of the river there are plenty, so that the average is all right; if anybody south of the river wants a rock he knows where to go for it. . . . Quebec is sprinkled with hip-roofed barns, looking in silhouette like hens about to take chicks under their wings. . . . There is lots of porch-sitting in rural Quebec, though this custom tends to disappear in the United States. There are also lots of horses. Maybe the two characteristics go together. . . . The narrow streets of Quebec City scare American tourists out of their wits. To cope with this situation one hires a guide to do the driving. Ours took us into one street which would barely hold one car—and never lost a fender. . . . There are plenty of picturesque old hot dog stands between Quebec City and Montreal, but I don't believe any of them date back to the Revolutionary War. . . . We saw a great many



quaint people, and I thought how nice it would be to be quaint. Then I saw them eyeing us (or at least me) with interest of a peculiar sort and reflected, "Maybe I'm quaint, too, in their estimation." It all depends on the point of view.

### The parabeaver

I RECENTLY read Bernard De Voto's "Across the Wide Missouri," which tells how the trappers, about a century ago, got the beaver out of our Western streams. This summer the Idaho State Fish and Game Department has been putting some of the beaver (not the same ones exactly, but related by marriage) back into the wilderness. I would like to see the expressions on the faces of such old mountain men as Jim Bridger, Kit Carson and Jim Colter (who discovered Yellowstone Park and got a big reputation as a liar when he told his friends about it) if they could know how the Idaho people are doing this job. They are doing it, it seems, by dropping the beaver from airplanes with parachutes. The modern beaver, in short, is a kind of parabeaver. His job, once he has safely landed and, I take it, unhooked his parachute, is to build dams and conserve water. Westerners a century ago used to try to swallow Jim Colter's true stories about geysers and such, but it was a strain and dangerous to health and they gave up.

What trying to believe this beaver story would do to them I hate to imagine. It is all I can do to believe it myself.

### And what is a hame?

ANOTHER book I have recently been reading with delight is U. P. Hedrick's "Land of the Crooked Tree," a boy's-eye view of pioneer life at the tip of the lower peninsula of Michigan in the 1870's and 1880's. As late as that farms were being carved out of the forest in the heart of our country, just as they had been two centuries earli-



er. How many skills it took under those conditions just to stay alive—skill with ax and saw, with plow, harrow and hoe, with horses, mules, cows, pigs and poultry, and seeds and crops and fruit trees! A farm

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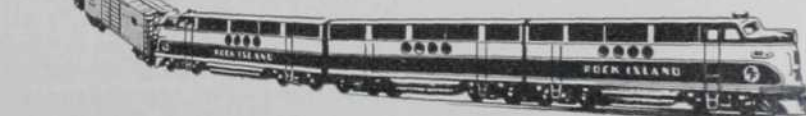
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boy would read this book with a homesick feeling, if he were in a city and his farm days far behind him; but his muscles would ache, too, at the memory of all the hard work. I was a village boy, with no habitual connection with farming, but I saw the hard work going on, and I know it is easier today. Some of the skills are rare now. Is there a cooper who can make the wooden part of scythes and cradles, as Perry Nelson did, or a blacksmith who can make scythe blades and hoes and ax blades, as George Lewis did?

And simpler skills are scarce, too. I don't suppose the art of hitching up a horse is five per cent as common as it used to be. I knew how once but today I had to get out my dictionary to be sure what a hame is. How many readers of this paragraph know, offhand?

### Mr. Selden's sister

THE sister of the late George B. Selden died last September at the age of 83. Does anyone remember who Selden was? He happened to be the holder of a famous patent, applied for in 1879, granted in 1895, later the cause of much litigation, for propelling a vehicle by means of an internal combustion engine. Charles E. Duryea and Ellwood



Haynes were other pioneers, and I am not arguing for any man's priority.

But how new it all is since Selden in Rochester, Duryea in Springfield, Haynes in Kokomo began motoring around! How new this new world is, how new our new habits, joys and problems!

### Darkness is pretty, too

WE USED to have outdoor church sociables in Williamstown, Vt., when the weather permitted, and these were lit up with Chinese lanterns. There might be a strawberry festival or just an ice cream supper. People would come for miles to get ice cream, or, incidentally, if they were young, to flirt, or, if they were middle-aged or old, to chat and gossip. I believe all this was as much fun as the mechanical fun provided today by various inventions—I do not say more fun, I just say as much fun. But I never

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realized just what the charm was in Chinese lanterns until I read a phrase about the annual illumination of the Oak Bluff camp grounds on Martha's Vineyard in the *Vineyard Gazette*, a while back. (I try to mention the *Gazette* at least once a year in print because I am on the free list and get it for nothing, and also because it is a lovely publication.) The *Gazette* said, and I quote: "Chinese lanterns can still do what electric light bulbs



and tubes never can. For a festival of this kind you need not only light but darkness—it is the blending of the two which makes for vistas and memories." And this is something that the modern Masters of the Lamp have almost forgotten: the beauty of soft and tender darkness against the light. This, after all, in all generations, is the life of man: a glow of flame against a mystery that he must hope is friendly.

And how good that ice cream tasted, in those old days, and how pretty the girls were!

## The symbols of abundance

THIS is less and less a rural country, yet we all think of abundance—especially in this Thanksgiving month—in rural terms. Pumpkin pie is not America's favorite food, but what a glorious symbol the pumpkin is! Another symbol is the rich stand of corn, still untouched or in the shock. Still another is the tree bending with its load of red apples. I feel a sort of tenderness for my country—a patriotism of the fields and orchards—when I see these symbols, as I have done this fall, all together. Logically a producing factory should stir the same emotions, for we need what it gives us just as much as we need pumpkins, corn and apples, or maybe more.

The factory, indeed, creates the chairs we sit on, the table we eat on, the tools we eat with, the tablecloth and the napkins which some of us still tuck under our chins. But we are a land animal and an eating animal. We do not think of factories as we begin our Thanksgiving dinner—we think of sunlight on the brown autumnal slopes and of the richness and beauty (not the hard work) of harvest time.

## The Truth about DEAFNESS AND HEARING AIDS



Perhaps you are one of those who has been told a hearing aid must be "fitted" to one's individual hearing loss.

U. S. Government-sponsored research at Harvard University has recently revealed that in almost every case of impaired hearing that can be benefited by a hearing aid, a properly designed instrument which needs no "fitting" gives the best results to the wearer.

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AND TO HELP  
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THE COST of the federal government for 1949 will be \$42,203,000,000, it has been officially estimated. That's more than four and a half times as much as it was in 1939.

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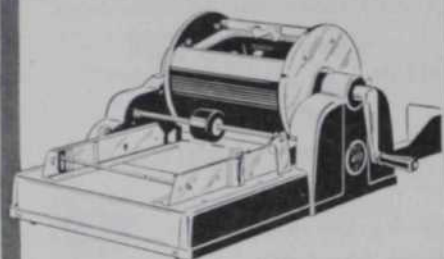
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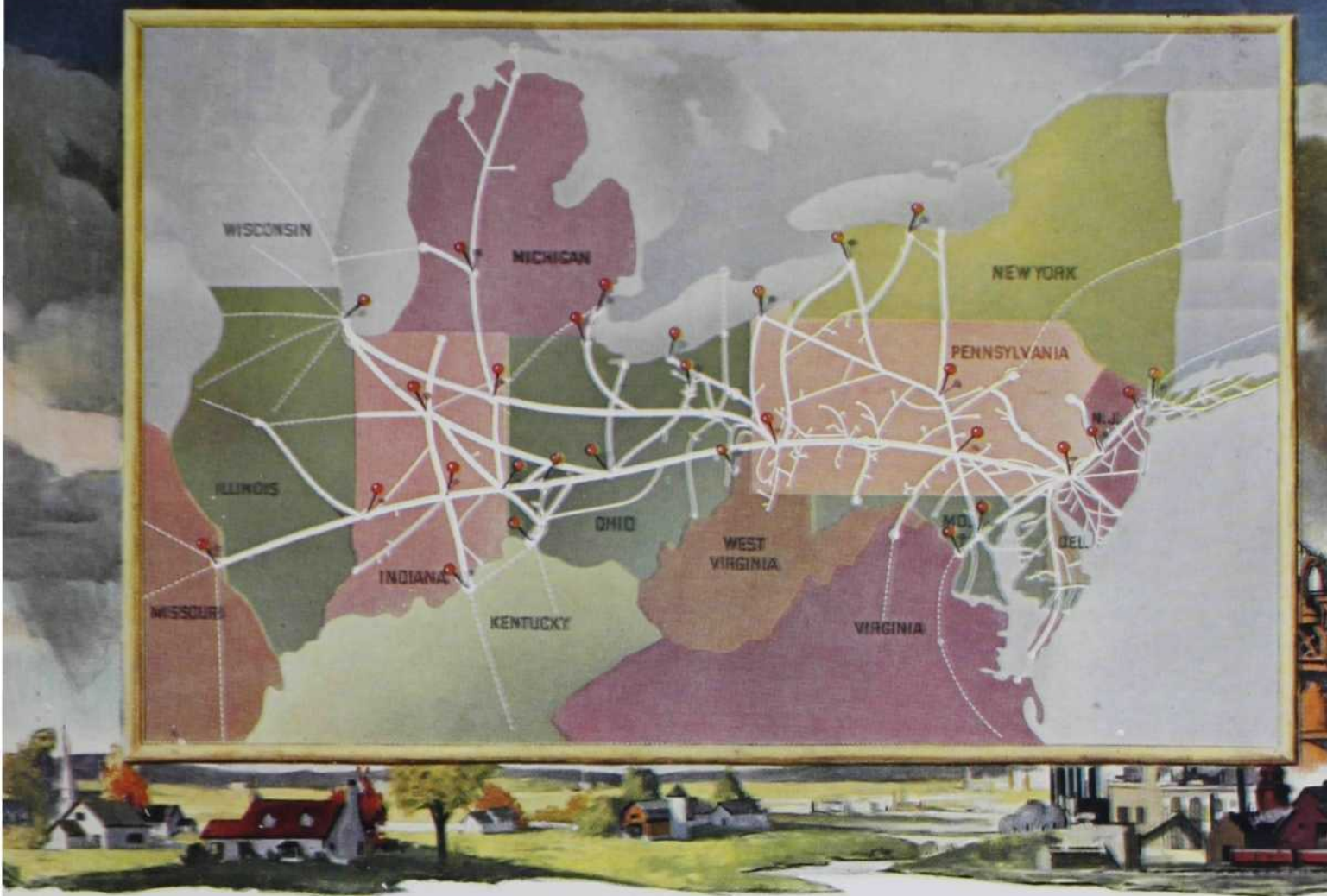
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